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HANDBOOK FOR PALESTINIAN BUSINESSES

HOW TO CONDUCT BUSINESS IN THE
PALESTINIAN TERRITORIES

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CHOICE OF TERMINOLOGY

THE RECENT POLITICAL AND ECONOMIC AGREEMENTS BETWEEN ISRAELIS AND PALESTINIANS HAVE CHANGED THE BOUNDARIES FOR DIFFERENT JURISDICTIONS AND THE NAMES OF THEIR GOVERNING ORGANIZATIONS. IN TURN, THESE CHANGES POSE A CHALLENGE FOR HOW TO CORRECTLY IDENTIFY THEM.

AREAS INHABITED PREDOMINATELY BY PALESTINIANS ARE COMMONLY REFERRED TO AS THE WEST BANK AND GAZA STRIP. IN TERMS OF GOVERNMENTAL JURISDICTION, A MORE PRECISE DISTINCTION BETWEEN THE AUTONOMOUS AND NON-AUTONOMOUS AREAS IS WARRANTED. IN THIS HANDBOOK, WE REFER TO ALL PALESTINIAN AREAS COLLECTIVELY AS THE PALESTINIAN TERRITORIES. WHERE APPROPRIATE, WE DISTINGUISH BETWEEN THE GAZA STRIP AND WEST BANK, OR BETWEEN AUTONOMOUS AND NON-AUTONOMOUS AREAS.

SIMILARLY, THE PALESTINIAN GOVERNMENT IS COMMONLY CALLED THE PALESTINIAN AUTHORITY OR THE PALESTINIAN NATIONAL AUTHORITY. WE HAVE CHOSEN TO USE PALESTINIAN NATIONAL AUTHORITY IN THIS HANDBOOK SINCE THAT IS THE NAME WHICH APPEARS ON MOST BUSINESS FORMS AND DOCUMENTS.

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INTRODUCTION

THIS *HANDBOOK FOR PALESTINIAN BUSINESSES* IS A PRACTICAL HOW-TO GUIDE FOR CONDUCTING BUSINESS IN THE PALESTINIAN TERRITORIES. IT PROVIDES USEFUL INFORMATION, GUIDELINES AND CONTACTS FOR EXISTING AND NEW BUSINESSES AND FOR POTENTIAL FOREIGN INVESTORS.

AS A RESULT OF THE PEACE AND TRADE AGREEMENTS BETWEEN THE PALESTINIAN NATIONAL AUTHORITY, JORDAN AND ISRAEL, A DYNAMIC PALESTINIAN ECONOMY HAS BEGUN TO EMERGE, AND WITH IT OPPORTUNITIES FOR BUSINESS EXPANSION AND NEW INVESTMENT IN THE WEST BANK AND GAZA STRIP. THE PALESTINIAN TERRITORIES, HOWEVER, ARE CHARACTERIZED BY AN OVERLAY OF LAWS, REGULATIONS, AND MILITARY ORDERS THAT MAKE IT DIFFICULT TO FIGURE OUT HOW TO DO BUSINESS IN THEM. THIS HANDBOOK IS INTENDED TO ANSWER YOUR QUESTIONS ABOUT THE BASIC PROCEDURES AND REQUIREMENTS FOR CONDUCTING BUSINESS. THESE INCLUDE REGISTERING AS A LEGAL ENTITY, COMPLYING WITH LOCAL LABOR LAWS, FINDING SOURCES OF FINANCING, AND EXPORTING AND IMPORTING GOODS. SAMPLE FORMS FOR MANY KEY BUSINESS TRANSACTIONS APPEAR AT THE END OF THE HANDBOOK.

THE POLITICAL SITUATION IN THE PALESTINIAN TERRITORIES IS CHANGING, AND THOSE CHANGES CAN AFFECT EVERYTHING FROM WHAT APPEARS ON A CERTIFICATE OF ORIGIN TO WHO HAS LEGAL JURISDICTION. UNTIL RECENTLY, THE ONLY AUTONOMOUS PALESTINIAN AREAS WERE THE GAZA STRIP AND JERICHO. AT THE END OF 1995, MOST MAJOR POPULATION CENTERS IN THE WEST BANK CAME UNDER PALESTINIAN ADMINISTRATIVE CONTROL. AS THE PALESTINIAN NATIONAL AUTHORITY BEGINS TO EXERCISE ITS JURISDICTION OVER CIVIL AFFAIRS, REFERENCES IN THIS HANDBOOK TO ISRAEL'S CIVIL ADMINISTRATION WILL GRADUALLY NEED TO BE REPLACED BY THE NAMES OF APPROPRIATE PALESTINIAN MINISTRIES. AS A GENERAL RULE, IT CAN BE ASSUMED THAT THE PROCEDURES CURRENTLY APPLYING TO GAZA AND JERICHO WILL BE EXTENDED TO AREAS FROM WHICH THE ISRAELI ARMY IS WITHDRAWN AND PNA AUTHORITY IS INTRODUCED.

WE HAVE MADE EVERY EFFORT TO REPORT ACCURATE INFORMATION, BUT THIS IS A DYNAMIC ENVIRONMENT, AND WE MAY HAVE MISSED A FEW CHANGES. THIS IS ONLY A FIRST EDITION OF THIS HANDBOOK, WHICH WE EXPECT TO UPDATE AND REPUBLISH ANNUALLY. TO KEEP US CURRENT AND RELEVANT, WE WELCOME YOUR COMMENTS, FEEDBACK, AND CONTRIBUTIONS.

THIS HANDBOOK IS WRITTEN AND PUBLISHED BY THE SMALL BUSINESS SUPPORT PROJECT OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WHICH IS DEDICATED TO STRENGTHENING THE PALESTINIAN BUSINESS COMMUNITY THROUGH IMPROVED MARKET ACCESS AND TECHNICAL ASSISTANCE. A PRINCIPAL CONTRIBUTOR TO THIS HANDBOOK IS THE ISRAEL-PALESTINE CENTER FOR RESEARCH AND INFORMATION, WHICH IS DEDICATED TO FINDING EQUITABLE AND PEACEFUL SOLUTIONS TO THE SHARED CONFLICTS AND PROBLEMS CONFRONTING BOTH COUNTRIES.

CHAPTER I

THE POLITICAL-ECONOMIC ENVIRONMENT FOR BUSINESS IN THE PALESTINIAN TERRITORIES

The Middle East peace process not only has political ramifications, but it is an economic process as well. Changing political conditions and alliances have opened new opportunities for business expansion and investment. Growing optimism for the durability of the peace accords has contributed to an improved economic environment, and no where is this more true than in the West Bank and Gaza Strip.

Until recently, the Palestinian business community has been largely cut off from direct involvement in the world markets. Today, the word "closure" generally refers to the borders being temporarily sealed to the West Bank and Gaza, but it is also an appropriate metaphor for what has happened to the Palestinian businesses over the last three decades.

Under Israeli occupation, various policies, rules and procedures resulted in economic and business relationships that created barriers to the Palestinians' direct access to buyers, information and equipment. Israel's control of the Palestinian borders also meant that it controlled all exports and imports. To conduct trade, many Palestinian producers became subcontractors to Israeli firms instead of directly exporting themselves or producing under their own label, and most raw materials were imported through Israeli companies. These controls also meant that Palestinians had limited access to information about a changing global economy and changing technology, precisely when major changes were occurring in these arenas. The Palestinian economy slowed and was allowed to become under-developed. Institutions that might have bridged this gap, such as Chambers of Commerce, were weakened, and Palestinians lost control of their own economic development in such areas as trade, finance, and governance.

The agreements reached in the peace process set the stage for dramatically changing these conditions, and in some important ways these changes are already occurring. The Declaration of Principles, also called the Oslo Accord or Oslo 1, signed in September, 1993, established a five-year timetable for the peace process leading to a final accord. As that process evolves, Palestinians are re-establishing their control over their economic development and institutions. In May, 1994, the Gaza-Jericho Accord, granted autonomous status to Jericho in the West Bank and Gaza Strip (except for settlements and military installations) and began the process of returning control to Palestinians the responsibility for trade and investment. The subsequent Paris Economic Agreement established the economic and financial policies for the

entire West Bank and Gaza Strip, and defined the relationship between Palestinians and Israelis including creating a common customs area

The most recent Israeli-Palestinian Interim Agreement¹, often called Oslo 2 because it represents the second significant step in Israel's withdrawal from Palestinian lands, broadens self-government in the West Bank and expands Palestinian control over their own internal affairs. This agreement reiterates the Palestinians' right to exercise authority over their own economic affairs, and reasserts that Palestinian authority in civil spheres will gradually be extended to areas from which Israel withdraws. Oslo 2 recognizes the Palestinian Monetary Authority's right to assume many functions of a central bank: controlling monetary policy, serving as the Palestinians' financial agent, holding foreign currency reserves, and serving as lender of last resort for banks under its supervision. The agreement also introduces the possibility of a Palestinian currency in the future.

Many difficulties remain in implementing these agreements, but the Palestinian business community is already taking advantage of the new opportunities that they present. Many businesses, some for the first time, have contacted wholesalers and importers to assess market opportunities in the U.S., Europe and Africa. Others are finding new distributors and outlets in Gaza, the West Bank and Israel. Manufacturers are beginning to upgrade equipment and seek alternative sources of raw materials. The Chambers of Commerce are expanding their range of services to include information, training, and business assistance programs. An increasing number of businessmen are attending international trade fairs. From the community to the national level, new institutions have formed to support the private sector.

While these gains are impressive, severe constraints on business remain, and success in overcoming them remains a challenge. Israel still imposes closures on Gaza and the West Bank, and restrictions on Palestinians at ports and the airport virtually require that they use Israeli middlemen as trading intermediaries. Trucks are detained at borders for lengthy security checks and clearance, sometimes for days. These conditions all add to the cost of doing businesses, but some Palestinian entrepreneurs are finding ways to overcome these obstacles, and they are being supported by efforts of the Palestinian National Authority (PNA) which has a clear policy of supporting private sector expansion as the engine of economic growth.

Resolving the problems experienced in cross-border trading and transit of goods is a priority of the PNA. Plans for constructing facilities for the transfer of products, such as bonded warehouses and industrial parks that straddle a common border, are currently being negotiated with Israel, Jordan and Egypt. Early in 1995, the U.S. Government extended GSP (General System of Preferences) status to Palestinian-

¹ *Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip*, signed in Washington D.C. September 28, 1995.

produced goods, the PNA has concluded a trade agreement with Jordan, and the PNA has negotiated a free trade agreement with the U S which is expected to be signed by the end of the year. The Ministry of Economy, Trade and Industry has sponsored participation in trade shows, and it is pursuing an export strategy that supports the private sector's efforts to establish a Palestinian Trade Development Center.

Some international doors are already opening for Palestinian businesses. A multi-million-dollar telecommunications deal was recently negotiated between U S and Palestinian companies. Diaspora Palestinians are investing in construction and businesses in the West Bank and Gaza, and they have capitalized a \$200 million investment fund. Manufacturers of products ranging from chocolate to laser-honed marble saws are finding new international markets. Slowly, Palestinians are beginning to expand their market reach, and they are finding competitive niches in a number of sectors. Negotiations are also under way for franchises with Western companies to enter the Palestinian market, an option that is possible now that Israeli firms do not automatically control or operate in West Bank and Gazan markets.

Businesses are also beginning to take a fresh look at local markets. Gaza, the West Bank and Israel. The local market is sometimes discounted because of its size: there are an estimated 2.4 million Palestinians and 5.5 million Israelis. In fact, for Palestinian firms, the local market has room for growth. For years, Palestinians have been producing for the sophisticated Israeli market, but their products almost always carried an Israeli label. Commonly, many products that are largely produced in Gaza or the West Bank are finished in Israel and re-imported into the Palestinian Territories. Now, Palestinian companies are starting to form direct market links in some new sectors, such as appliances, cosmetics and processed food, and expand their market share. Entrepreneurs in Gaza are beginning to look at the West Bank market, and vice versa, because geographic separation has also caused market separation, but as trade begins to flow more smoothly, new market opportunities are beginning to open up.

Years of occupation, the *intifada*², and closures have taken a heavy toll on the Palestinian economy. Finding accurate statistics on the economy is difficult, but domestic - meaning Palestinian - growth has fallen sharply. In the 1970s, the West Bank's economy expanded at over 8 percent annually, but fell to an average of 3.5 percent in the 1980s, and even lower more recently. GNP growth in the Gaza Strip similarly tumbled from an average 6.3 percent in the 1970s, to 1.6 percent in the 1980s, and lower still in 1995. A major contributing factor to the fall of GNP since 1992 has been the loss of remittances from overseas Palestinians as a result of the

²The *intifada* was the broad-based Palestinian uprising that dates from December 9, 1987 - the anniversary of the first act of resistance - to about the time when Oslo I was signed, which corresponded with a diminishing number of incidents.

Gulf War Unemployment is roughly estimated at 60 percent for Gaza and 30 percent for the West Bank but these figures are unreliable and may undercount part-time or self-employed workers Infrastructure was damaged and left unrepaired for years, but reconstruction of roads and other basic infrastructure is taking place which is particularly noticeable in the Gaza Strip Major clean-up efforts have been made roads have been repaved and opened, and new drainage and sewage systems are under construction Major infrastructure projects, including an airport and seaport in Gaza, and improvements in the power and telecommunications, are at various stages of planning or early stages of implementation

Other changes are also occurring that will spur business development in the Palestinian Territories The number of banks has rapidly expanded Prior to the *intifada*, Israeli banks had 28 branches in the territories, by early 1995, few were left This void has been quickly filled by Palestinian and Jordanian banks, with so many new branches registering that at one point the Palestinian Monetary Authority temporarily stopped issuing new bank licenses Banks offer a full range of financial services, and many are actively seeking investment projects A number of specialized finance programs exist to help smaller Palestinian companies expand, and donors are funding technical training and assistance efforts to improve the competitiveness of the Palestinian business community

The legal framework is also being sorted out and rationalized Palestinians have inherited laws from Egypt Jordan, the Ottoman Empire and the British Mandate In many cases, prevailing law is different in Gaza and the West Bank, although legislation passed by a Palestinian government with jurisdiction over both areas will start to remedy this problem In the occupied areas, and to a lesser extent in the Palestinian-controlled areas of Gaza and the West Bank, Military Orders issued by the Israeli Civil Administration still apply Some Military Orders had been issued but unpublished, and in general the inheritance of law from many sources makes it more difficult to understand local law and procedures, but fundamentally the legal system works and it is not a major impediment to business

Generally, however, it is recognized that the commercial laws need to be updated and unified, and the regulations and procedures for implementing them be clear The PNA is making steady progress in this regard Efforts are underway to codify existing law, and other laws and regulations have been amended or replaced New laws and regulations of the PNA can be enforced only in the autonomous areas of Gaza and the West Bank, but as Palestinian administration expands in other parts of the West Bank, increasingly these laws will prevail National elections, scheduled for January, 1996, will give the Palestinians the legitimacy and authority of an elected government, and it is expected that the pace of legal reform will quicken

Already, the PNA had adopted a law to encourage foreign and domestic investment in Gaza and the West Bank Tax exemptions are available for projects capitalized

with as little as U S \$ 100,000, tax exemptions can extend to five years, and other benefits are available to larger projects. Other efforts are underway to encourage and support business development by streamlining procedures, updating economic information, and upgrading technical skills. All of these efforts reflect the PNA's policy of relying on private sector initiative to rebuild the Palestinian economy. In turn, this means new business opportunities in an opening and growing market.

CHAPTER 2

BUSINESS ENTITIES IN THE PALESTINIAN TERRITORIES

A TYPES OF LEGAL BUSINESS ENTITIES

Companies in the West Bank register under the Jordanian Companies Law (1964), and Gazan companies under the Shareholding Companies Law (1929) and the Ordinary Companies Law (1930). Practically speaking, there are three types of business entities in the Palestinian Territories

- **Sole Proprietorships**
- **Ordinary Companies**
- **Shareholding Companies**

Sole proprietorship are the most common form on business entity, yet they are not mentioned in legislation nor treated as legal entities in legislation. In the West Bank, sole proprietorships account for represent 67 percent of all firms, compared to 30 percent for private shareholding companies and less than three percent by public shareholding companies

I SOLE PROPRIETORSHIPS

Sole proprietorships include typical small businesses, run by the owner or family. They have licenses to operate, but they are not registered businesses or formal entities in the same sense as Ordinary Companies and Shareholding Companies which are more regulated because they involve multiple and frequently unrelated investors. A sole proprietorship is not recognized as a company, thus, it does not have the same benefits as a registered company, such as limited liability for its owners. Bank accounts and tax records have to be registered in the name of the sole proprietor (owner) and not in a company name.

Most businesses in the Palestinian Territories are family-owned and -managed. Because these businesses do not have outside investors, nor do they need more formal contractual arrangements between family members, many of these businesses operate in the same status as sole proprietorships, yet they can be sizable operations. Investors in the Palestinian Territories will find many dynamic family-owned businesses ready for outside investment and expansion.

2 ORDINARY COMPANIES

An Ordinary Company is established by agreement between two or more people, up to a maximum of 20 partners, to jointly conduct business. There are three types of Ordinary Companies

- **An Ordinary General Company** in which all the partners - referred to as "general partners" - are jointly liable personally for the debts, contracts and obligations of the company
- **An Ordinary Limited Company** which includes two categories of partners: one or more general partners with unlimited liability for the debts, contracts and obligations of the company, and one or more limited partners whose liability is limited to the amount of capital personally invested. Limited partners are not permitted to participate in the company's management without losing their limited liability status
- **A Foreign Ordinary Company** which is a company registered outside of the Palestinian Territories. In order to conduct business in the Palestinian Territories, this type of company must register according to the procedures described at the end of Chapter 3, "Registering a Business"

3 SHAREHOLDING COMPANIES

Groups of investors or partners consisting of 20 or more persons must register their business as a shareholding company. There are two types of shareholding companies

- **A Public Shareholding Limited Company** is capitalized by the sale of shares to the public. The liability of shareholders is limited to the amount of their respective capital of each shareholder in the company. Seven or more persons who jointly carry on business for the purpose of generating profit may form a Public Shareholding Limited Company
- Shares in a **Private Shareholding Company** are not sold to the public but owned by private investors. The liability of shareholders is limited to the amount of their individual investment. Two or more persons who jointly undertake a business for the purpose of generating a profit may form a Private Shareholding Company

Certain restrictions apply on the capitalization of shareholding companies. The capital of a shareholding company must be stated in Jordanian Dinar (JD) or New Israeli Shekels (NIS). The minimum capitalization requirements are

- The capital of a Public Shareholding Company cannot be less than JD 30,000
- The capital of a Private Shareholding Company cannot be less than JD 2,000

The capital of either type of shareholding company must be divided into shares of equal value

B RULES AND REGULATIONS GOVERNING ORDINARY COMPANIES

I ORDINARY GENERAL COMPANIES

Ordinary General Companies are formed by partners. The law recognizes a "partnership" when two or more people work together to operate a for-profit business. Groups formed by farmers for any common enterprise in connection with the cultivation of land are not recognized as partnerships and are excluded from the laws and provisions regarding partnerships.

ROLES AND RESPONSIBILITIES OF PARTNERS

At the time of forming a company, partners may enter into an agreement which defines specific features of their relationship, as permitted by law. For instance, a partnership agreement can limit the authority of one or more partners to act on behalf of the company, and it can define the terms under which a partner may sell his/her shares. However, it should be stressed that partnership agreements cannot limit the liability of partners in an Ordinary General Company.

In general, every partner is an agent of the company, and all partners are bound by the acts of any other partner which are performed in the normal course of doing business. In addition, a company may authorize a non-partner to act on behalf of the company, and this non-partner's actions are also fully binding on the other partners. Such actions include entering into contracts, ordering supplies (and thus incurring liabilities), and transacting other forms of business.

Each partner is jointly and severally liable for the debts and liabilities of the company which are incurred while being a partner. The liability extends to a partner's heirs in the event of death.

If a partner declares bankruptcy, the debts of the company have precedence over the individual's own personal debts. If the company itself declares

bankruptcy, the debts owed by the company to creditors have precedence over any debts the company owes to individual partners

2 ORDINARY LIMITED COMPANIES

Ordinary Limited Companies have two categories of partners

- One or more general partners who are jointly liable personally for the debts, contracts and obligations of the company, and
- One or more limited liability partners whose individual liability is limited to the amount of capital invested by the partner into the company

ROLES AND RESPONSIBILITIES OF PARTNERS

A partner with limited liability is not a participant in the management of an Ordinary Limited Company and has no authority to act on the company's behalf unless specified in a partnership agreement. A limited liability partner may, however, have access to the company's books, inquire about its state of affairs, and confer with other partners about the company.

If a limited partner participates in the management of the company, that partner is liable for debts and liabilities which the company incurs during participation in its management, just as if the limited partner were a general partner. General rules governing Ordinary Limited Companies include

- Disagreements arising during the normal course of the company's business are settled by a majority of the general partners
- A limited liability partner may transfer or sell his/her shares with the approval of the general partners. The person to whom such shares are transferred will, after registration and publication in accordance with the law, become a partner with limited liability and will then enjoy the rights of a limited liability partner
- General partners may select new partners without the consent of the limited liability partners
- A limited liability partner has no right to dissolve the company

3 PARTNERSHIP AGREEMENTS

A Partnership Agreement is often used to define the procedures by which a partner can sell shares in the company. In some cases, this requires the consent of all other

partners, or a less rigid provision requires only the consent of a majority of partners. To protect both the company and individual partners, provisions in these agreements can include

- A minimum period of time that a partner must hold the company shares,
- The basis for establishing a fair price when a partner wants to sell company shares,
- The "right of first refusal" for other partners to purchase a departing partner's shares,
- A maximum period of time that a partner must wait for other partners to exercise their right of first refusal to buy his/her shares, and
- Business qualifications, financial standing, and other criteria that the departing partner must use in identifying a new investor after the "right of first refusal" period has expired

Unless otherwise stated in a Partnership Agreement, the following rules govern the relationship between partners and the company

- No partner may enter personally into a contract with the company, nor engage in any business which is similar to, or competitive with, that of the company without the written consent of the other partners
- Every partner must account to the company for any benefit which may be derived, without its consent, from any transaction connected with the company, and from the use by the partner of the company's funds, name or trademarks for which the partner must compensate the company
- The partners must divide the company's capital and profits among themselves, and are liable for the payment of its losses in proportion to their respective capital contributions
- A partner will be compensated by the company for any expenses and liabilities that are incurred personally while managing the company, or as a result of any act necessary to safeguard its business or property
- Any partner may take part in the management of an ordinary company, but without the right to compensation unless approved by the other partners
- No partner may be expelled by a majority of the partners

- Any disagreement arising out of the management of the company will be determined by a majority of the partners, provided that no change in the nature of the company's business is made without the consent of all partners
- The company's books are kept at its principal place of business, and each partner has free access to them and the right to copy information in them

CHAPTER 3

REGISTERING A BUSINESS

Existing laws are specific about many requirements for the registration and management of companies in the Palestinian Territories. The sections below briefly describe the most important aspects of the law. When engaging in the actual establishment of a company, it is highly recommended that the full text of the law be reviewed, good legal counsel be obtained, and a qualified accountant be consulted.

A REGISTERING A COMPANY IN THE WEST BANK

In principal, the procedures for registering a company in the autonomous or non-autonomous areas of the West Bank are similar. In both cases, the relevant legislation is Jordanian Companies Law, Number 12 of 1964, published in the Official Gazette Number 1757 of 3/5/64. Israeli Military Order 398 of 1970 further governs company registration in the non-autonomous West Bank, and will remain effective elsewhere in the West Bank until rescinded or amended by the Palestinian National Authority.

The Ministry of Economy, Trade and Industry oversees the registration of companies. The Ministry has Company Registrars in Gaza and Jericho, and it is expected that the PNA's offices will start handling the paperwork in other autonomous towns in the West Bank. Under current agreements with Israel, if an application to do business in the autonomous West Bank is received by a foreign investor, it must be approved by Israeli officials as well. The Ministry submits the required documents to Israel's Ministry of the Interior on behalf of the investor. Following approval by the Israeli authorities, the Ministry issues the applicant a work permit.

I DEFINITION OF TERMS

- In the autonomous West Bank, "Controller" means the Companies Controller who is appointed by the PNA. In Jericho, the controller is Mr. Abdul Aziz al-Araj, located at the Ministry of Economy, Trade and Industry (tel. 992-2289, fax 992-3635).

In the non-autonomous West Bank, "Controller" means the Companies Controller appointed by the Israeli Civil Administration. Since most registered businesses are likely to locate their operations in autonomous West Bank towns, as these are the population and economic centers, it is unlikely

that the Israeli-appointed controller will continue to play an important role in the registration process

- In the autonomous West Bank, "Companies Register" means the register kept by the Ministry of Economy, Trade and Industry for the registration of all information relating to registered companies. Two copies of this register exist: one at the Ministry's offices in Jericho, and the second at its offices in Ramallah.
- "Court" means the court which has jurisdiction, referring either to Palestinian courts in the autonomous areas and Israeli courts in the non-autonomous areas (see to Chapter 7)
- "Articles of Association" means the basic agreement between partners, and any amendments thereto that govern a company's internal management structure and relationships

2 ORDINARY COMPANIES

A REGISTRATION PROCEDURES

Every Ordinary Company formed in the West Bank to carry on any business must be registered with the controller following these procedures:

- The original copy of the partnership agreement of the company, signed by all the partners, must be submitted to the controller together with the articles of incorporation and the company by-laws, which should be signed by all the partners before a notary public.
- If the papers are in order, the controller will open a file for the company and assign it a number. This register is a public document and may be examined by any interested party.
- The Controller will calculate the fees to be paid (see below). Payment is made in the office of the Controller. Tax stamps can be purchased in any post office.
- Upon completion of payment, and after the trademark and company's name has been checked, a Certificate of Registration will be issued.
- The Certificate of Registration along with the articles of incorporation must now be signed by all of the partners in front of a notary public. There is a notary public in each city. (See Appendix B)

for information on notary public) The main points covered by articles of incorporation are highlighted below

ARTICLES OF INCORPORATION ORDINARY COMPANIES	
•	THE NAME OF THE COMPANY
•	THE NAMES, ADDRESS AND NATIONALITIES OF ALL THE PARTNERS
•	THE LOCATION OF THE HEAD OFFICE OF THE COMPANY
•	THE AMOUNT OF CAPITAL HELD BY THE COMPANY AND THE NUMBER OF SHARES EACH PARTNER OWNS
•	THE NAMES OF THE PARTNERS WHO ARE AUTHORIZED TO MANAGE THE AFFAIRS OF THE COMPANY AND TO SIGN ON ITS BEHALF
•	THE PERIOD FOR WHICH THE COMPANY'S OPERATIONS MAY BE LIMITED

If for any reason the registration of the company is not accepted, there is an appeals committee which can review. This registration process can be facilitated with the help of a lawyer who can prepare the articles of incorporation and the company by-laws.

B FEES

The fees and other expenses for registering a company in the West Bank are

- 0.2 percent of the company's capital
- Certificate fee of U.S. \$ 33
- Publishing fee of U.S. \$ 12
- Tax stamps at approximately U.S. \$ 50

C NON-RESIDENT PARTNER

If one or more of the partners is not a resident of the West Bank, the Israeli authorities have required that an application form, available from the Legal Department of the Civil Administration headquarters in Beit El, must be

completed This form must be completed and submitted to the Legal Department and a one-time cash payment of NIS 750 must be paid The payment is made at the headquarters of the Civil Administration in Beit El

The rest of the process is the same as above however, it can only be implemented after receiving the prior approval of the Civil Administration Once a certificate of approval has been granted by the Civil Administration, it is then taken to the Controller's together with the articles of incorporation, by-laws, tax stamps, and the companies tax fee

D DISSOLUTION AND LIQUIDATION

The same dissolution and liquidation procedures apply to an Ordinary General Company and an Ordinary Limited Company In both cases, a company cannot be dissolved automatically as a result of the death or bankruptcy of a partner or if a partner becomes permanently ill Conditions and events which can result in the dissolution of a company include

- The termination of a company's limited period or lifespan which is defined in the by-laws of the company,
- The termination of the purpose for which the company was formed, such as the completion of a construction project,
- When any event renders the company's continuance, or the continuance of the partners in the company illegal,
- When only one partner remains in the company, or
- When all of the partners agree on the dissolution of the company, or its merger with another company

3 PUBLIC SHAREHOLDING COMPANIES

A REGISTRATION PROCEDURES

To register a shareholding company, the general partners submit an application to the Controller (see Appendix B for sample forms) for the formation of the company, together with its by-laws and its articles of association The Articles of Association must include the items highlighted below

ARTICLES OF ASSOCIATION PUBLIC SHAREHOLDING COMPANIES

- THE NAME OF THE COMPANY³ THE NAME OF A SHAREHOLDING COMPANY MUST INDICATE ITS OBJECTIVE AND MAY NOT BE DERIVED FROM THE NAME OF A PERSON, UNLESS THE OBJECTIVE OF THE COMPANY IS THE EXHIBITION OF A LICENSE FOR AN INVENTION WHICH HAS BEEN LEGALLY REGISTERED IN THE NAME OF THAT PERSON
- THE PURPOSE OF THE COMPANY
- A STATEMENT THAT LIMITS THE LIABILITY OF THE PARTNERS
- THE AMOUNT OF SHARE CAPITAL, EXPRESSED IN JORDANIAN OR ISRAELI CURRENCY WHICH MUST BE DIVIDED INTO SHARES OF EQUAL NOMINAL VALUE, OF NOT LESS THAN JD 1 AND NOT MORE THAN JD 10
- THE NUMBER OF SHARES SUBSCRIBED TO BY EACH GENERAL PARTNER WHICH MUST BE AT LEAST ONE SHARE
- IF THE COMPANY IS FORMED FOR THE IMPLEMENTATION OF A LIMITED PROJECT (E.G., THE CONSTRUCTION OF A BUILDING), THE ARTICLES MUST SPECIFY THE PERIOD OF TIME THE COMPANY INTENDS ON WORKING THE ARTICLES MUST ALSO SPECIFY THE LOCATION OF ITS HEAD OFFICE.

Under regular circumstances, the company will be registered within a period of two months³ Following the approval of the documents by the controller and following the collection of the fees, the controller will enter the name of the shareholding company in the register, issue a Certificate of Registration,

³If one or more of the general partners is not a resident of the West Bank the controller will give a decision regarding the registration of the company within two months from the date of submission of the application and if no such decision is given within the prescribed period the application will be deemed to have been refused

and send notice of the registration containing all of its particulars to the official gazette

In the case of refusal by the controller, the case can be brought before the appeals committee

If the general partners apply for the formation of a private shareholding company, and the controller finds that it is in the public interest that such a company be formed as a public shareholding company, the general partners **must** change the company into a public shareholding company. If the partners do not agree to such a change, the controller may refuse the application

B GENERAL RULES AND REGULATIONS

- The articles of association must specify the limits and the conditions under which the Board of Directors is allowed to borrow and/or mortgage the company's real property and give guarantees. This does not apply to shareholding companies which deal in banking
- Any changes in the by-laws or articles of association must be adopted by a resolution at an extraordinary general meeting in accordance with the law, after which it will be subject to the approval of the registration procedure described above
- A shareholding company, from the date of its registration, becomes a corporate body bearing the name which is stated in the by-laws and articles of association. From the date of registration, the company may begin its activities for the sale of its shares
- The Certificate of Registration is conclusive evidence of the existence, formation and registration of the company
- Upon registration the by-laws and articles of association are binding on the company and on its shareholders as if these documents had been signed by each of the shareholders

C RULES ON SALE OF SHARES

- After registering a Public Shareholding Company, the general partners may proceed with the formalities of selling shares (see Appendix B "Standard Form for the Sale of Shares in a Company in the West Bank")

- The general partners may choose not to offer shares for public subscription, but may cover the full value of the shares themselves or in conjunction with others. If after three months the publicly-offered shares are not bought, the general partners may, with the approval of the Civil Administration or the appropriate PNA official, purchase the remaining shares.
- If the total value of the project exceeds JD 50,000, and among the general partners there is a foreigner, the general partners may not cover more than 75 percent of the shares with the remainder of the shares offered to the public.
- The general partners of a Shareholding Company must subscribe for a minimum of 10 percent of the shares. The remaining shares are to be offered for public subscription by means of a notice published in at least two daily newspapers one week before the commencement of subscription.
- Shares can be bought at one or more licensed banks paid to the company's named account.
- Shares can be sold, negotiated, mortgaged, or given as a gift with the approval of the board of directors of the company. The transference of shares must be duly registered in accordance with the articles of incorporation and the by-laws of the company. The company will provide a certificate for the shares or debentures to the purchaser or receiver of the shares.

The law stipulates many technicalities and procedural conditions for the sale of the subscriptions. Most commercial lawyers in the Palestinian Territories will be familiar with these procedures. The establishment of a Shareholding Company should be done in conjunction with receiving proper legal counsel.

D RULES ON INCREASING AND DECREASING THE SHARE CAPITAL

- A Shareholding Company may increase its share capital if the original share capital has been completely covered. The resolution to increase the share capital must be adopted by a 75 percent majority of the votes represented at a general meeting of shareholders.
- A Shareholding Company may reduce its share capital if it is in excess of its requirements, or if the company incurs a loss and deems it advisable to reduce its share capital to the value of its assets. A

resolution to reduce the share capital may not be adopted unless the rights of third parties are safeguarded. The reduction of capital must be on the basis of a resolution adopted at a general meeting by a 75 percent majority of the votes represented at the meeting.

E LOAN DEBENTURES

Shareholding Companies may issue loan debentures which are negotiable documents that have a nominal value, are not divisible, and which are given to subscribers against amounts which they have advanced to the company as a long term-loan. Debenture financing must be obtained by means of an invitation for public subscription. Loan debentures entitle the holder to a fixed rate of interest payable at prescribed times, and confers upon them a right to collect the debt amount from the company's assets.

F DISSOLUTION AND LIQUIDATION

- In accordance with the law, no Shareholding Company can be dissolved until the liquidation proceedings have been completed.
- By order of the court, the liquidation of a Shareholding Company may be voluntary or compulsory.

VOLUNTARY LIQUIDATION

A Shareholding Company may be liquidated voluntarily in the following cases:

- When the fixed period for its duration expires, or when the objective for which it was formed has been achieved (e.g., constructing a building), or when it is determined impossible to achieve such an objective, or
- By the adoption of a resolution at a general meeting to either merge with another company, or dissolve and liquidate the company.

Upon the voluntary liquidation of a company, a company's properties and other assets are applied to the settlement of its liabilities, and upon the appointment of a liquidator, the board of directors cease to have any powers except those sanctioned by the liquidator.

COMPULSORY LIQUIDATION

The court may order a liquidation of a Shareholding Company for any of the following causes:

- The company itself resolves that it should be liquidated
- The company commits a serious violation of the law or its articles of association
- The company fails commence its business within a year of its registration, or suspends its business for a whole year
- The number of shareholders is reduced to less than two in the case of a Private Shareholding Company, and to less than seven in the case of a Public Shareholding Company
- The company is unable to pay its debts

G PROCEDURES FOR SELLING SHARES IN THE WEST BANK

The general partners may decide not to offer shares for public subscription, but cover the full value of the shares themselves or in conjunction with others. If all or some of the shares offered are not subscribed within three months from the date offered, the general partners may, with the approval of the controller, cover the shares which have not been subscribed.

The general partners of a Shareholding Company must subscribe for a minimum of 10 percent of the shares capital of the company. The remaining shares shall be offered for public subscription (purchase) by means of a notice to be published in at least two daily newspapers, one week before starting to sell the shares. The notice must include the following:

- The objective, capital and number of shares of the company
 - The names, addresses and nationalities of the general partners, and the amount of shares subscribed by each
 - The value of any in-kind contributions given, plus the name(s) of the person(s) who provided the contribution
 - The period and terms of subscription, and the value of the shares
 - The name of the bank(s) in which subscriptions may be made
- Subscriptions must be made at one or more licensed banks and be paid into the company's account, which will be opened by the bank
 - Subscribers should receive a document that includes
 - The specific number of shares subscribed (purchased)

- The acceptance by the subscriber of the company's by-laws and the articles of association
- The address of the subscriber
- The period of subscription cannot be less than 20 days or more than three months
- If during the prescribed period subscriptions do not amount to two-thirds of the shares offered, the general partners may extend the period of subscription by three months
- If by the end of the extended period, subscriptions still do not amount to two-thirds of the shares, the general partners must either cease their efforts to form the company or reduce its capital
- If the formation of a company is given up, the banks in which the funds were paid by the subscribers must immediately refund all monies collected
- If the capital is reduced, the subscribers must be given a period of one month to either confirm or cancel their subscriptions. If after this period, the subscriber does not cancel the subscriptions, the original subscriptions will be deemed confirmed
- If the formation of a company is not achieved, the general partners will be jointly and severally liable for the expenses which have been incurred in this regard
- If it transpires that the subscriptions have exceeded the number of shares offered, the subscription(s) of the shareholders will be reduced in proportion to the respective subscription affected by each. In reducing the subscription(s), special consideration will be given to shareholders subscribing to a small number of shares
- Within one month from the closing date of subscription, the general partners are required to
 - Submit to the controller a declaration stating the number of shares subscribed and payments from the subscribers have been received and enclose the relevant bank documents
 - Submit the controller text of the notice calling for subscriptions a list showing the number and names of the

shareholders, and the amount of the shares subscribed by each

- Summon the subscribers and the general partners to a statutory meeting within two months from the closing date of subscription. If the general partners fail to convene such a meeting, the controller will do so at the partners' expense
- The statutory meeting will be presided over by one of the general partners who will be elected at that meeting, and who will conduct the meeting, sign the minutes, and send a copy to the controller at the end of the meeting
- The presence at a meeting of shareholders holding one-half of the total shares subscribed constitutes a quorum. Resolutions adopted at the meeting must be by consent of two-thirds of the shares represented at the meeting. Each shareholder has one vote for each share held
- At the first statutory meeting, the Board of Directors and auditors will be elected
- After the final formulation of a Shareholding Company, the shareholders should be given provisional share warrants stamped with the company seal and signed by the persons authorized to sign on behalf of the company. Share warrants must include the following particulars
 - The name of the shareholder, the number of shares and the number of installments
 - The installments which have been paid and the date of payment
 - The serial number of the provisional warrant and the number of shares it covers
 - The capital and head office of the company
- The subscriber or shareholder is a debtor of the company for the amount which has not been paid on the specified shares

There are many other rules and regulations which appear in the law. It is wise to consult with an attorney so that all of these rules and regulations are fully understood

H BOARD OF DIRECTORS

A Public Shareholding Company's Board of Directors must have at least five members and not more than eleven

If the number of shareholders in a Private Shareholding Company is less than 20 people the form of its management will be decided by the partners, just as in the case of an Ordinary Company. If there are more than 20 shareholders, the company must elect a Board of Directors with a minimum of two members and a maximum of five, which are to be elected in the same manner as the board of directors of a Public Shareholding Company

The term of office for the board of directors is limited to four years, and will terminate automatically upon the election of a new board of directors. A general meeting must be held within a period of three months after the termination of the term to elect new members to the board. The company's articles of association should specify the minimum number of shares needed to qualify a shareholder to serve on the board of directors

A public corporate body, such as a municipality or government agency which is a shareholder in a company, may appoint a representative to the board of directors as agreed upon by the parties concerned. Such representatives enjoy the same rights and are subject to the same duties as other board members, but they can not participate as shareholders in the board's election

The election of the members of the board of directors by the shareholders is by secret ballot. No person may become a member of the board of directors of any company if convicted of

- Any felony, and/or
- A misdemeanor involving morals, stealing, fraud, abuse of confidence, forgery, bankruptcy, or perjury

During the first month of the company's fiscal year, it must submit to the controller a list of the board members providing information on their nationality, age, profession, amount of capital shareholding(s), the date elected, and the date his/her term will expire. The company must notify the controller of any changes to the list within one month

A person may not be a member of a board of directors for more than three Public Shareholding Companies, and may not be manager of more than one Public Shareholding Company

A person less than 21 years old may not be a board member. A person who occupies a public post may not become a member of the board of directors of any company, except in the capacity as an appointed representative of a government body.

The articles of association may require that at least half of the members of the board of directors should be elected from the general partners of the company.

Every board member and the company's manager must submit to the board of directors at its first meeting a statement specifying the number of shares personally owned, plus shares owned in the name of a spouse or minor children. Each member must notify the board of any change which may occur in the ownership of these shares within two weeks from the date on which such a change occurs.

A company may not advance a cash loan of any kind to any of the members of its board of directors. This does not apply to banks and trust companies, which may, in the course of regular business, advance loans to the members of the board of directors on the same terms as to other ordinary clients.

The board of directors has the power and authority to perform any acts which would ensure the running of the business of the company in accordance with its objectives. The board will be bound by the directions of the shareholders and may not violate any of the resolutions adopted at general meetings, or the articles of association, nor the provision of the law.

I FINANCIAL REPORTS

Within three months from the end of the financial year, a shareholding company is required to prepare an audited balance sheet and profit and loss statement. The board must also prepare a report containing adequate explanations of the main items of income and expenditure. These statements, together with the auditor's report, must be sent to every shareholder by registered post with a notice convening the ordinary general meeting, at least fourteen days before the date of the meeting. The notice of the meeting must contain the agenda for that meeting.

A public company's board of directors must publish within two months from the date of the general meeting, the balance sheet, profit and loss account, and a summary of the report by the board in one of the daily newspapers. Private Shareholding Companies and companies which at the time of formation did not offer shares for public subscription are exempt from publishing financial reports to the general public.

The board of directors is required to convene a meeting within one week of being elected in order to elect a chairman and vice chairman. The board should also authorize one or more members who will have the authority to sign jointly or separately on behalf of the company. The company must also furnish the controller with a copy of the resolutions electing the chairman and vice-chairman within one week from the date of each resolution.

The chairman of the board of directors is the president of the company, and will represent it to third parties and before all the authorities. The chairman's signature will, unless otherwise provided by the articles of association, bind the full board of directors insofar as the relations of the company are concerned with third parties.

The chairman or any other member of the board of directors may, by a two-thirds majority resolution of the board, assume the post of general-manager, deputy general-manager, or assistant general manager of the company.

The members of the board may not occupy a post in the company for a salary or compensation unless the articles of association provide otherwise. In such case, the board of directors by a two-thirds vote majority will determine the amount of salary or compensation.

J ORDINARY GENERAL MEETING OF STOCKHOLDERS

An ordinary general meeting open to all shareholders must be convened at least once annually by the board of directors, on the date specified in the articles of association, provided that such a date will be no later than four months after the company's financial year ends. An ordinary general meeting is not deemed legal unless a quorum of shareholders holding more than one-half of the shares of the company is present at the meeting. If no such quorum is present, then a second meeting will be deemed legal regardless of the number of shares represented. Resolutions will be adopted by an ordinary majority of the shares represented at the meeting. Agenda items required to be covered at the general meeting are highlighted below.

AGENDA FOR ORDINARY GENERAL MEETING

- REPORT OF THE BOARD OF DIRECTORS
- HEARING OF THE REPORT OF THE COMPANY'S AUDITORS ON THE COMPANY'S STATE OF AFFAIRS ACCOUNTS AND BALANCE SHEET
- DISCUSSION AND APPROVAL OF THE ACCOUNTS AND BALANCE SHEET OF THE COMPANY
- DETERMINATION OF THE PROFITS TO BE DISTRIBUTED ON THE BASIS OF THE RECOMMENDATIONS OF THE BOARD
- DISCUSSION OF PROPOSALS TO BORROW FUNDS
CREATE A MORTGAGE OR GIVE GUARANTEES

K EXTRAORDINARY GENERAL MEETINGS

An **extraordinary general meeting** may be convened by the board of directors directly, or on the basis of a written request notifying the board of directors by the shareholders holding not less than one-quarter of the company's shares, or a written request from the controller or the company's auditors based on an application submitted by not less than 15 percent of the shareholders of the company, provided the controller is satisfied with the reasons thereof

An extraordinary general meeting is not legal unless a quorum of shareholders holding more than one-half of the shares of the company is present at the meeting. If no quorum is present for the first meeting, then the presence of shareholders holding a minimum of 40 percent is necessary to constitute a quorum at the second meeting. If no such quorum is present, the meeting will be canceled regardless of the reason(s) for calling such a meeting.

At a meeting calling for the dissolution and liquidation of the company, a minimum of two-thirds of the company's shares must be represented.

Resolutions can be adopted by a two-thirds majority of the shares represented at an extraordinary general meeting, each share being entitled to one vote. Notwithstanding this, resolutions can be adopted by a 75 percent majority of the shares represented at the meeting in the following cases:

- Amendment of the articles of association
- Merger of the company with another company or institution
- Dissolution and liquidation of the company
- Dismissal of the chairman or a member of the board of directors
- Transfer of the company's head office to a place outside of the West Bank

If the agenda of an extraordinary general meeting includes the amendment of the company's by-laws or articles of association, the proposed amendment must be attached to the agenda and enclosed with the invitation to the meeting in order to give the shareholders time to study the amendment in advance

4 PRIVATE SHAREHOLDING COMPANIES IN THE WEST BANK

A ARTICLES OF ASSOCIATION

The by-laws and articles of association of a Private Shareholding Company must include the provisions highlighted below

ARTICLES OF ASSOCIATION PRIVATE SHAREHOLDING COMPANIES	
•	MEMBERSHIP IS LIMITED TO A MINIMUM OF TWO AND A MAXIMUM OF 50 PERSONS
•	THE RIGHT TO TRANSFER COMPANY SHARES IS RESTRICTED
•	THE GENERAL PUBLIC MAY NOT BE INVITED TO SUBSCRIBE TO THE COMPANY'S SHARES OR LOAN DEBENTURES

If a Private Shareholding Company changes its articles of association excluding any of the statutory requirements in accordance with the section above, it will lose its status as a private company from that date on which such alterations occur. The company must, within 14 days from that date,

submit the necessary documents to the Controller to adjust its legal position to that of a Public Shareholding Company ⁴

B CONVERTING FROM A PUBLIC TO PRIVATE SHAREHOLDING COMPANY

Any Public Shareholding Company may register itself as a private company in the following way

- It must amend its articles by a resolution adopted at a general meeting in such a manner as to bring the articles of association into conformity with the provisions of the preceding section
- It must submit to the controller an application with a copy of the amended articles and the resolution adopted at the general meeting
- The controller may approve or reject the application to register a Public Shareholding Company as a Private Shareholding Company
- When an application has been approved by the controller and after paying the statutory fees, the company may register as a private company (See Appendix B for sample forms) The company must also publish a notice of such registration in the newspaper

B REGISTERING A COMPANY IN THE GAZA STRIP

All companies in Gaza must be registered by a lawyer according to the provisions of the Shareholding Companies Law (Number 18 of 1929) and the Ordinary Companies Law (Number 19 of 1930) Papers and articles for the company must be signed by the general partners and/or shareholders in front of a lawyer who can certify the signatures to the Registrar of Companies Documents must be submitted in Arabic The Registrar is located at

al-Wahidi Street
Mujamat al Mahkame Building
Rimal - Gaza
tel 07/820-266

⁴The registration of a public shareholding company as a private shareholding company will not in any way affect its rights and responsibilities in relation to any debt or liability which arose prior to such registration

I MEMORANDUM OF ASSOCIATION

The first step in registering any type of company in Gaza is to prepare a Memorandum of Association. This memorandum must reflect the agreement between two or more people who have decided to register a company. Seven or more people must be registered as a Public Shareholding Company, while less than seven people can register a Private Shareholding Company. This memorandum of association must be prepared for all kinds of companies. Information required in the memorandum of association is highlighted below.

MEMORANDUM OF ASSOCIATION	
•	THE NAME OF THE COMPANY
•	THE OBJECTIVES OF THE COMPANY
•	A STATEMENT IF THE LIABILITY OF ANY PARTNER IS LIMITED
•	INFORMATION ON THE AMOUNT OF SHARE CAPITAL. THE AMOUNT REDEEMABLE AND UNREDEEMABLE (IF ANY)
•	IN THE CASE OF A COMPANY LIMITED BY GUARANTEE, A STATEMENT MUST BE ADDED THAT EACH MEMBER UNDERTAKES TO CONTRIBUTE TO THE ASSETS OF THE COMPANY IN THE EVENT OF ITS BEING DISSOLVED OR WITHIN ONE YEAR AFTERWARDS

The Memorandum of Association must be submitted on a special form, and it must be executed by all partners or subscribers in the presence of an attorney. The memorandum must be typed, divided into paragraphs that are numbered consecutively, and bear a tax stamp valued at one half an Egyptian pound. No subscriber of the memorandum of association may possess less than one share, and each subscriber's name must be written next to the number of shares possessed. A company may not amend its memorandum of association unless approved by the Company Registrar.

2 FEES

The fees for registering a company in Gaza are

- 1 percent of the company's capital
- A nominal publishing fee

Upon the registration of the memorandum of association, and upon the payment of the fees, the registrar of companies will issue a certificate which certifies that the company is incorporated. In the case of a Limited Company, this will certify that the company is limited.

3 GENERAL RULES

- From the time of incorporation, the company is treated as a corporate body with the name contained in the memorandum of association. Subscribers are able to exercise all of the functions of an incorporated company, and have a common seal. Liability rests with the partners to contribute to the assets of the company in the event of dissolution or bankruptcy.
- A company may not be registered by a name identical with that of another company or partnership in existence in the Gaza Strip, or closely resembling the name of another company.

4 MANAGEMENT RULES

All of the statutory rules for managing companies in Gaza are the same as those in the West Bank, except

- With regard to Shareholding Companies, there are specified dates and time periods for issuing documents with the names and amount of shares held by each subscriber. This should be done periodically and regularly according to the requirements. This can be done by an attorney for the company familiar with the procedures.
- Shareholding Companies can increase share capital by the issuance of new shares, consolidate and divide shares into larger amounts than the existing shares, convert all or any unpaid shares into stock, and reconvert stock into paid-up shares of any denomination, subdivide shares, or cancel shares which have not been taken or paid up. A cancellation of shares does not constitute a reduction of the share capital.

- If a company wishes to reduce the size of its share capital, this must be done through an application to the Civil Court in Gaza
- The minimum capital for a Shareholding Company is U S \$ 100,000
- For all companies registered in the West Bank⁵ that wish to open a branch in Gaza the procedure is the same as registering a new company in Gaza, unless the company registered in the West Bank already has partners who are residents of the Gaza Strip. If this is the case, there is no need for a new registration
- Companies that want to operate in both Gaza and Jericho need only register in one place (Gaza or Jericho)
- Every company must have at least two directors. A director will not be entitled to any remuneration except as provided by the memorandum of association

5 PROSPECTUS FOR SHAREHOLDING COMPANIES IN GAZA

Every prospectus issued by or on behalf of a Shareholding Company must be filed for registration with the Company Registrar. The prospectus must contain the following

- The text of the company's memorandum of association including the names of the directors, shareholders and the amount of shares that each holds
- The number of shares offered and their value
- Where shares are offered to the public for subscription
- The amount payable on application and allotment of each share
- If the shares of the company are divided into different classes of shares, the rights of those shares in terms of voting and receipt of dividends

It is not legal to issue any form of application for shares unless the form is issued with a prospectus which complies with the regulations stated above

6 BORROWING POWERS AND SECURITY

Every company is entitled, subject to its articles of association and its by-laws, to pledge its moveable property and to mortgage any of its property, including its unsubscribed shares as security for liabilities, either present, future or contingent

⁵Companies which want to be registered in both Jericho and Gaza need only register in either Gaza or Jericho and not in both places

C PROCEDURES FOR REGISTERING A FOREIGN COMPANY

Foreign companies, including their subsidiaries, representatives and branch offices, can legally conduct business in the Palestinian territories. They are required to comply with the same registration procedures as Palestinian companies, that is, they must submit an application along with corporate documents to the Companies Registrar. The registration fees for foreign companies are

In Gaza U S \$ 74

In the West Bank

With capital exceeding JD 1 million, approximately JD 1,000

With capital less than JD 1 million, approximately JD 500

Service fee of U S \$ 95

In Jericho

With capital exceeding JD 1 million, approximately JD 500

With capital less than JD 1 million, approximately JD 250

Service fee of U S \$ 95

CHAPTER 4

PROPERTY RIGHTS

A LEASING PROPERTY IN THE WEST BANK

I PROCEDURES FOR LOCAL RESIDENTS

The legal status should be clarified before agreeing to lease property. This information can be obtained from the Lands Registry Department of the Civil Administration.⁶ Lands Registry Departments, which are located in each major city of the West Bank, will only agree to issue the information in the presence of the owner. Military Order Number 1271 from March 29, 1989, stipulates that the owner must hold at least 51 percent of the property in order to legally lease the property. The lessee should obtain all documentation from the owner to verify the owner's right to lease the property. All property documentation includes a series of numbers which include the block number and the specific land parcel number within the block. A specific flat within a building will also be designated by an additional reference, either a number or a description of the flat (e.g., the second floor of a three-story building, etc.).

A contract is then written between the owner and the tenant. A sample lease can be found in Appendix C. The lease should contain at least the following:

- The exact location of the property and its registration number
- A full description of the property, its size, how many rooms, etc.
- The name of the owner
- The name of the tenant
- The agreed amount of rent
- The method of payment of rent and the period of payment
- The duration of the agreement
- Any additional contractual matters relating to the upkeep of the property, the right to make changes in or on the property, the payment of utilities and urban taxes, etc.

⁶Following the transfer of authority from the Civil Administration to the PNA, much of the information that is housed in the Lands Planning Department and Lands Registry Department will be located in the Ministry of Planning.

2 PROTECTED TENANTS LAW

Leases in major cities of the West Bank are protected under the Protected Tenants Law which means that an agreement of one year is effectively a life-long agreement unless there is a substantive breach of contract, in which case it can be canceled by the owner. The law also states that the amount of rent that is agreed upon at the time of rental will in effect remain level throughout the life of the lease. Historically, this law has not applied in the Gaza Strip or in villages of the West Bank, however, many villages in both the West Bank and Gaza are now leasing under this law.

If a tenant fails to pay rent for six months or more, through a notary public the owner can issue an official letter demanding that payment must be made within 30 days. If no payment is made within 30 days, the owner can request the court issue an eviction notice.

3 PROCEDURES FOR LEASING PROPERTY TO A FOREIGNER

The procedures for leasing property to a foreigner in the West Bank are based on Jordanian Law Number 40, 1953. The same procedures apply as stated above except that

- The term of the lease is limited to a period of three years. At the end of the term the foreigner must receive a permit from the regional commander in the Civil Administration in order to extend the lease. If a permit is not properly received and the procedures closely observed, the lease becomes null and void. If approval is obtained, a new lease can be drawn up and the rental conditions renegotiated.

B PROCEDURES FOR PURCHASING PROPERTY IN THE WEST BANK

I DETERMINING OWNERSHIP

The property's legal owner and zoning status should be established before entering into an agreement to purchase land. Information regarding ownership status can be obtained from the Lands Registry Department of the Civil Administration. The main West Bank office is located in Ramallah, while regional offices are located in each major city. Almost all land that is located within the boundaries of the major cities is registered in these offices, so it is unlikely that the office would not have information on a particular parcel of land. The Lands Registry Office will only release information to the legal owner(s) of the property or to someone with a valid Power of Attorney (see Appendix C) from the land owner. The land owner or holder of Power of Attorney must present all documents which prove his ownership of the property. It is important to note that all property documentation includes a series of

numbers which include the block number and the specific land parcel number within the block. A specific flat within a building will also be designated by an additional reference, either a number or a description of the flat (e.g., the second floor of a three-story building, etc.)

Land located in the villages of the West Bank, however, may not be formally registered and it may be difficult to determine the exact legal status of the land beyond the documentation presented by the owner. In this event, a local attorney familiar with the village should be consulted.

2 ZONING

The amount of land zoned for industry, commerce and housing is very limited in the West Bank. Much of the land is zoned for agriculture or open spaces meaning that it is illegal to erect structures on the land. Zoning information can be obtained from the Land Planning Department of the Civil Administration, from the Engineer's Department in each municipality, or from the village *mukhtar*. In many places in the West Bank, there is no up-to-date zoning plan.

3 SALES CONTRACT

After all preliminary research is completed, a contract is then written. All contracts for the sale of land must be notarized by the notary public and filed with the Land Registry Office. The Land Registry Office will investigate the status of the land which, if everything is in order, will then issue a writ within 20 working days to transfer the deed. At the time of transference fees must be paid to the Land Registry Authority. The fees are calculated as follows:

- Land with no building or substantial structure on it is calculated at 5 percent of the appraised value. The public appraiser from the Land Registry Office determines the value of the land.
- Land with a building on it is calculated at 6 Jordanian Dinar per square meter of the building itself.

It is important to note that there are no stipulations under current law in which an individual can have direct ownership of an individual apartment in a building, whether it is an office or a residential apartment. When someone "purchases" an apartment, they are actually buying shares in the building. These shares are not directly linked to any specific unit in the building, but rather represent a percentage of the entire building (see Appendix C, "Sample Contract for the Sale of an Apartment").

C PROCEDURES FOR BUILDING ON PROPERTY OR RENOVATING EXISTING BUILDINGS

This procedure is relatively simple if the building is constructed within the zoning plan for the city or village in question. The owner of the property must submit full architectural and engineering plans to the Municipal Engineer's Office. This office will then issue a license for building to begin or request changes to the plan. Regulations may vary slightly from town to town, so it is best to check with the city engineer or the village *mukhtar* prior to spending money on architectural and engineering plans.

Building on leased land is permitted as long as it is legally permitted by the owner of the land. Unless otherwise stated, under current law the owner of the land is also considered the legal owner of the building(s). However, under most circumstances, the rights to the building are given to the developer of the property for a set period of time, after which the rights revert back to the land owner.

D PROCEDURES SPECIFIC TO GAZA

The relevant law used in Gaza regarding purchasing and/or leasing property is the Law of Ownership of Property, which dates to the British Mandate period. Although it is not the same law as that used in the West Bank, it is very similar. Most of the procedures mentioned above are relevant for Gaza, but in every case, one is cautioned to double check the local laws and procedures. The principal differences are noted below.

LEASING

The Protected Tenants Law has historically not applied to Gaza, however, some villages are now requiring that leases be written under this law. Generally, leases in Gaza can be limited by time and evictions due to failure to pay can be easily processed through the courts. The Protected Tenants Law does not apply to cases in which *furnished* property is leased.

STATE OR AL AMIRI LANDS

These lands are under the control of the Ministry of Planning and the Ministry of Local Governments. In some cases, these lands are under the control of the local municipalities and can be leased through them.

FOREIGN OWNERSHIP OF LAND

Foreigners cannot own property in Gaza.

CHAPTER 5

UTILITIES

The Civil Administration in Beit El has final responsibility for all utility hook-ups in the West Bank. Utility connections are made only after the company is registered, all licenses and approvals are obtained from the authorities, and all tax files are opened. All new building plans must be approved by the municipality. This approval must then be submitted together with the request for electricity, water and telephone.

The Ministry of Economy, Trade and Industry is responsible for approving the connection of electricity, water, waste, and telephone in Gaza and the autonomous areas of the West Bank. All of these applications can be made through the offices of the Ministry in Jericho and Gaza.

A TELEPHONE

In the West Bank, all telephone services are provided through an Israeli company, Bezek. Telephone lines are very difficult to obtain. Often, new businesses are forced to rely on cellular telephones, which are readily available throughout the Palestinian Territories. Cellular phones and lines are available through private companies. There are two major companies offering these services:

- ♦ Motorola 177-022-4000 (toll free), or 02/783594
- ♦ Cellcom 177-022-0599 (toll free), or 09/599599

Both companies are based in Israel and use Bezek as the service provider. Private dealers sell phones and lines for both of these companies. Contact the companies at the numbers above for a list of dealers and service options.

Long distance services are available from Bezek, AT&T and Sprint. Their toll free numbers are:

- ♦ Bezek 199
- ♦ Bezek International 188
- ♦ AT&T 177-100-2727
- ♦ Sprint 177-102-2727

B ELECTRICITY

Applications for electricity must be submitted to the local electricity company. The application should indicate specific needs with regard to the expected and planned use of electricity. The applicant must pay for the full cost of any electrical infrastructure development including direct lines, meters, switches, etc. Three-phase electric lines generally cost between NIS 6 000-10,000, but depending on the size of the project costs can be significantly higher. For instance, a new hotel project was recently charged nearly NIS 200 000 for electrical lines, meters, switches and start-up service.

Recent prices for electricity in the West Bank were

♦	Domestic use	100 kw	NIS 17.27 plus 17% VAT
♦	Commercial use	100 kw	NIS 29.89 plus 17% VAT

Recent prices for electricity in Gaza were

♦	Domestic use	1 kw	NIS 0.42
♦	Commercial use	1 kw	NIS 0.40

Recent costs to increase power supply in Gaza were

♦	+ 30 ampere	NIS 500
♦	+ 60 ampere	NIS 1200
♦	35 ampere, 3 phase	NIS 1000
♦	More than 100 ampere	NIS 8400

C WATER

I GAZA

An application must be registered with the water department of the local Gaza municipality. The price for registration is NIS 750.

The recent prices for water were

♦	1-20 cubic meters	NIS 0.50 per cubic meter
♦	20 + cubic meters	NIS 1.00 per cubic meter

Bills are issued on a monthly basis. The water department of the municipality is responsible for maintaining the water system.

2 WEST BANK

New applicants must pay all necessary expenses for new water infrastructure including the cost of equipment and labor. At the time of submitting an application for water, a fee of 162.50 JD must be paid to the Jericho Municipality.

Recent price of water was

- ◆ NIS 0.50 per cubic meter

Bills are issued every two months. There is an additional monthly charge of NIS 5 for maintenance.

In Jericho, a completed application form must be submitted to the Municipal Water Department. The Water Department of Jericho is responsible only for projects and customers within the municipal boundaries of Jericho. Following approval of the application, the municipality will issue a contract for the supply of water.

Recent charges for water registration were

- ◆ Insurance JD 50
- ◆ Water meter reader JD 10
- ◆ Registration forms JD 2.05
- ◆ Registration tax stamps NIS 2

The application must be signed by the head of the Water Department and the Treasurer of the Municipality. Following the completion of all paper work, the contract will be signed by the Mayor of Jericho.

D GAS

Presently, gas is supplied to the Palestinian Territories by several Israeli companies. With the implementation of the new agreements, the PNA will have responsibility for supplying all fuels to the Palestinian Territories. Bottled gas, on the other hand, will eventually be supplied by private companies which are currently being formed. Prices are adjusted according to the international market. Gas is supplied in bottles or tanks as required. Bills are issued on a monthly basis.

The recent price for gas was

- ◆ NIS 1,200 NIS/ton of gas + 17% VAT

CHAPTER 6

TAXATION

Tax regulations in the West Bank and Gaza are based on Jordanian and British Mandate laws enacted prior to 1967. Although the Palestinian tax system and structure closely resembles that of Israel, there are some notable exceptions, including personal income and value added tax rates, and tax incentives for investment.

A INCOME TAXES

I PERSONAL INCOME TAX

Income is levied on wages or profits from any business occupation or transaction and on income from work, pensions, rents and real estate. Income tax is also levied against the value of fringe benefits received from an employer. Income tax is withheld at the source from salaried employees and individuals earning wages. Personal credits and other deductions which the employee receives are factored into the calculations for withholding. Annual personal deductions and the tax rates payable by Palestinian residents in 1995 were

PERSONAL DEDUCTIONS

CATEGORY	AMOUNT (NIS)
SELF	3 708
EMPLOYEES	1 560
NON WORKING SPOUSE	1 860
PER DEPENDENT CHILD (TO 5)	300

TAX RATES

MONTHLY INCOME (NIS)	TAX RATE
UP TO 4 200	5%
4 201 - 10 500	10%
10 501 - 16 800	15%
16 801 - 29 400	20%
29 401 - 50 400	30 %
50 401 - 84 000	35 %
84 001 - 147 000	40 %
147 001 AND HIGHER	48 %

2 CORPORATE TAX

Palestinian companies and businesses are taxed at a rate of 38.5 percent regardless of income level. This rate is expected to decrease for tax year 1996. Taxes are levied against income generated and/or earned in the Palestinian Territories and elsewhere. Deductions to income include losses, equipment depreciation, and business-related expenses. Business losses can be carried forward six years, and can be used to reduce tax liability up to 50 percent of taxable income in any given year.

3 DIVIDENDS

Dividends distributed in the Palestinian Territories to shareholders of a foreign company are subject to 25 percent withholding. Dividends distributed to shareholders of a Palestinian company are not taxed, regardless of the nationality or place of residence of the individual stockholder. Dividends paid out of profit are taxable, whereas dividends paid after redistribution of capital are exempt from taxation. An automatic deduction of 25 percent is withheld at the source from companies which own stock in another entity, unless the company obtains a Deduction at the Source Certificate, which grants a reduction of up to 5 percent. Applications for these certificates are available from the district tax offices listed Appendix A.

B VALUE ADDED TAX (VAT)

A Value Added Tax of 17 percent is applied to all domestically produced goods and services. Financial institutions pay VAT on their wages plus profit at the standard rate of 17 percent.

Exceptions include tourist services, fruits and vegetables, and products that are ultimately exported (including all raw materials and component parts). Organizations that are registered as non-governmental institutions are exempt as well. Companies and institutions whose annual sales do not exceed NIS 36,000 are also exempt from paying VAT.

1 VAT PAYMENT SCHEDULES

The tax authorities have accounts at all foreign and domestic banks in the Palestinian Territories, so businesses can pay VAT at any of these banks. Payments must be made monthly or bi-monthly, depending on the classification of the business.

Only small and micro businesses can pay under the bi-monthly schedule. The definition of a small business is one with annual turnover of less than NIS 150,000 per year or businesses that have only one worker. Tax owed for transactions during a given month must be remitted by the 15th day of the third month. For example, VAT for transactions taking place in April must be remitted by 15 June.

All other businesses must make monthly VAT payments. Tax owed for transactions during a given month must be remitted by the 15th day of the following month. For example, VAT for transactions taking place in April must be remitted by 15 May.

2 VAT REFUNDS

Companies can apply for refund of VAT payments on all business start-up costs and on goods that are exported. Refunds take from one to six months to receive.

C CAPITAL GAINS TAX

Capital gains are not taxed.

D PAYROLL TAX

No payroll tax is collected.

E PROPERTY TAX

Property tax in the West Bank and Gaza vary between localities. Exemptions apply to government and national institutions, public institutions, and the United Nations.

Property taxes are applied using two separate systems: one for municipalities and another for villages. In the West Bank, the tax is collected by the Civil Administration, and 90 percent of the revenue is remitted to the municipality. For municipalities, there are two categories of property -- buildings and vacant land (including agricultural land). The village system of property tax applies only to irrigated land. Each village maintains their own schedule of rates. The tax paid depends on what type of crop is grown and the land area in cultivation.

Assessments determine the base for the municipal property tax. The law calls for periodic reassessments every five years, but this has not been maintained in many cases. Vacant land is taxed using the assessed value of the land as the basis. For buildings, the basis is the assessed rental value of the property which depends on actual rental value, location, and type of structure.

Although rates vary from locality, the tax rate for buildings in the West Bank is generally 13.6 percent of the assessed rental value. For vacant land, the assessed rate is 0.6 percent of the assessed land value. In Gaza the rate structure also varies slightly from locality. For buildings the rate is 15 percent of the rental value of a building, 9 percent of that total is assessed on the tenant, with the other 91 percent is assessed on the owner. For vacant land, the rate is 15 percent of the imputed production value of the land.

F INTEREST AND PENALTIES

Taxpayers making late payments face several potential penalties:

- All late payments incur a penalty of NIS 107 for each week or part thereof during which payment is in arrears. The amount of this penalty is fixed regardless of the amount of tax owed.
- Taxpayers which are in arrears for more than two weeks face a penalty of one-quarter of one percent of the amount that is due.
- If an investigation is required as determined by the tax authorities, then an administrative penalty of as much as one percent of the taxes owed is levied, depending on the scope of the investigation.
- An interest or indexation penalty can be levied by the tax authorities if, in their determination, there is ground for such a penalty.

G. REGISTRATION AND TAX FORMS

Registration with the VAT and Income Tax Offices must take place before commencement of business activity. Documents necessary for registration include a photocopy of the registrant's identity card and a photograph. For firms setting up new accounts, they must present an original power of attorney authorizing the representative to open the account(s) in the name of the company. (See Appendix D for copies of some of the most commonly used tax forms.)

CHAPTER 7

CONTRACT ENFORCEMENT AND DISPUTE RESOLUTION

The Palestinian Territories have inherited a rich legal tradition, drawing upon Ottoman, British Mandata and Jordanian legal systems and reflecting Islamic, civilian and common law principles. To many, this diversity seems confusing, but the existing legal framework protects and defines property rights, and establishes rules for business entry and exit and market operations. Already, work is underway to review and update existing laws to make them more consistent with an international business environment, and these reforms will gain momentum following the Palestinian elections in January, 1996. It is expected that, over time, the differing legal codes governing Gaza and the autonomous West Bank will be merged into a single code for the Palestinian Territories. Resolving business disputes can be handled through the court system or through alternative dispute mechanisms, which are discussed below.

A FORMAL COURT SYSTEMS

The civil courts in the Gaza Strip operate under British Mandate laws (Courts Ordinance of 1940, and the Magistrates' Courts Jurisdiction Ordinance of 1947) and are, like the courts in Jericho, under the administration of the Palestinian National Authority. The civil courts in the Gaza Strip and the autonomous areas of the West Bank are arranged into a three tier system.

- Magistrates' courts exercise jurisdiction over small claims cases (not exceeding 500 British pounds) and land use disputes such as right of passage, right for drinking water, evacuation of tenants, and claims for the division of property (whether land or movable) regardless of its value.
- District courts hear all other claims that are not within the jurisdiction of the magistrate courts, thus exercising a residual jurisdiction, and they may also serve as appeal courts over certain classes of magistrate court decisions.
- The High Court in Gaza City, sitting as a court of civil appeal, may hear appeals from any lower court in Gaza or Jericho. The high court may also exercise original jurisdiction over certain limited classes of cases which may be brought before it.

The Gaza Strip presently has two district courts (both in Gaza City, a third is planned for Khan Yunis) and three Magistrates' courts. Judges in all three tiers are appointed by the PNA.

The civil court system in the non-autonomous areas of the West Bank operates under Jordanian laws (Law of Courts of 1952 and Magistrates' Courts Law of 1952), as amended by Israeli Military Orders. Today this system is composed today of three tiers: magistrate, district and court of appeals, whereas before 1967 there used to be a higher court known as the court of differentiation or *tamyeez* which was both a court of appeal and the supreme court of justice. Military Order #412 dismantled this higher court and transferred some of its jurisdictions to the court of appeals, and Military Order #164 prevented the court of appeals to practice any jurisdiction against the Government of Israel or the Israeli army, or any of their organs or workers.

In the non-autonomous West Bank, courts have the following jurisdictions:

- Magistrates' courts adjudicate small claims (up to JD 250) but also land usage disputes such as right of passage, right for drinking water, evacuation of tenants and claims for the division of property (whether land or movables) regardless of its value.
- District courts hear all other claims that are not within the jurisdiction of the magistrate courts, thus exercising a residual jurisdiction, and they also may serve as an appeal court over certain classes of magistrate court decisions. The appeal court in Ramallah, sitting as a court of civil appeals, can hear cases on appeal from all West Bank civil courts except for those in Jericho which, as mentioned above, are subject to the appellate review of the High Court in Gaza.

District courts presently exist in Gaza, Nablus, Ramallah, Hebron, and Jericho. Magistrates' courts exist in most significant cities and towns. It is important to note that Military Orders have prevented the civil courts from hearing almost any case or dispute with the government concerning registration of land or land transactions, government property, customs, income tax, trade mark registration, exploitation of natural resources, registration of companies, and control of foreign currency. These cases are heard in front of Israeli appeal committees (pursuant to Military Order #172), and their decisions are only recommendations to the general commander of Israeli forces who can either accept or reject their recommendations in whole or in part.

Currently, the Israeli military courts can remand any civil case from a non-autonomous West Bank court to a military court. This is most often done in cases involving property disputes and other disputes involving an Israeli party. In

addition, certain types of civil cases, like the above-mentioned ones that are outside the jurisdiction of the civil courts, or involve Israeli authorities or questions of fundamental rights, can be brought before the Supreme Court of Israel

At this time, it is unclear to what extent this picture will be changed by the implementation of further agreements between Israel and the PNA. However, it is reasonable that the jurisdiction of Israeli military courts and the Israeli Supreme Court in the West Bank will be significantly reduced once Israeli forces redeploy from Palestinian cities and towns. At the same time, the PNA may retain the appeal committees until such time that they are brought into the civil courts system.

B ALTERNATIVE DISPUTE RESOLUTION MECHANISMS

Alternative dispute resolution (ADR) is the mechanism of choice for resolving commercial and business disputes in both the West Bank and the Gaza Strip. The primary reason for the current extensive reliance on ADR is the resignation of Palestinian court officials and police during the *intifada*. During a period of political and legal instability, ADR mechanisms were thought to provide greater convenience and predictability than the courts. Generally, social forces in the West Bank and the Gaza Strip create an atmosphere in which the parties are obliged to abide by the decisions arrived at through ADR without resorting to the legal system. Of course, this social enforcement mechanism is only fully effective with regard to people who are rooted in the local society.

ADR mechanisms presently in use in Gaza and the West Bank are arbitration, mediation, and less conventional methods of dispute resolution. Arbitration laws exist in both Gaza (Palestine Arbitration Ordinance of 1926) and the West Bank (Jordanian Law of Arbitration of 1953) providing for enforcement of arbitration agreements and arbitration awards. In the absence of an arbitration clause in a contract, arbitration is used when there is a case in court and the parties decide to submit the dispute to arbitration before proceeding further. Decisions or settlements reached through arbitration have the same effect as a court order.

In Gaza, semi-formal (e.g., institutionalized) arbitration is available through the Palestine Chamber of Commerce. Less formal mediation is available in both Gaza and the West Bank. Mediation, used in both the West Bank and the Gaza Strip, is a less legalistic alternative to arbitration in which the parties choose to participate of their own volition and in which the solution to a given conflict, if any, is determined by the involved parties with the assistance of a neutral third party.

Various individuals in the Gaza Strip and the West Bank are available to act as arbitrators or mediators. Furthermore, there are currently a number of efforts being made to provide specialized training, often in Europe or North America, to increase the number of trained Palestinian experts in alternative dispute resolution. Various

initiatives are presently being coordinated to create new arbitration and mediation mechanisms in the Palestinian Territories, as well as elsewhere in the region

In addition to arbitration and mediation ADR mechanisms used in the West Bank and the Gaza Strip include conciliation procedures known as the *sulha ishraa* system which have the considerable force of cultural tradition behind them If a dispute emerges between individuals or businesses, it is brought to one or more of the community's respected elders, some of whom are former judges or others with legal training These community elders hold prestige by virtue of age, community influence, and reputation for fairness *Sulha* conciliations are typically treated with respect and compliance by the parties involved

C ENFORCEMENT OF COURT DECISIONS

Laws creating mechanisms for the enforcement of court decisions are not lacking, such as the Enforcement Law of 1952 which is in force in the West Bank The outbreak of the *intifada*, however, created a situation in which court decisions were practically unenforceable for two main reasons First, enforcers were afraid of being considered Israeli collaborators since Israeli police were involved, and second, the police just did not want to be involved in civil disputes during the *intifada*, which had increased the level of risk to them

According to reports from Gaza and Jericho, enforcement has improved dramatically under the PNA's authority and following the introduction of Palestinian police The absence of a Palestinian civilian police force in the West Bank, however, has meant that judgments of West Bank civil courts (excluding Jericho) are practically unenforceable The introduction of Palestinian police into West Bank cities and towns following redeployment of Israeli military forces can be expected to increase the likelihood that judgments will be enforced

Contracts often specify the jurisdiction or location for court proceedings or arbitration in the event that legal action It is important to consult with a lawyer familiar with the procedures for enforcing a court's decision Gaza or in the West Bank in order to make sure that such an issue can be transferred to a foreign forum For example, the Jordanian Enforcement of Foreign Decisions Law of 1952, prevailing in the West Bank, does not include in its definition of enforceable foreign court decisions a decision relating to land disputes In addition, this law gives the local courts discretion to refuse to enforce a foreign court's decision if the foreign country's laws do not reciprocate and allow for the enforcement of the local court's decisions

D BASIC GUIDELINES IN NEGOTIATING CONTRACTS

In general, reliance on contracts is most useful for doing business across borders (including the green line), especially if the contract includes provisions for arbitration, choice of jurisdiction, or choice of prevailing law. Contracts are also necessary where the value of the goods or services is high, and to specify insurance and banking transactions. The costs of enforcing a contract, particularly in the formal courts and most particularly in the West Bank, can be relatively high in terms of court fees and the time it takes to conclude a case. Courts in the West Bank can not compel witnesses to appear, given their lack of executive authority, nor can they grant witnesses permission to cross army checkpoints when required. Finally, there is great confusion about the status of Israeli Military Orders, which have implications for the legal validity of many contracts, especially contracts for goods or services which were forbidden under the Military Orders. Resolution of these issues will have to await clarification by the appropriate authorities.

To minimize contractual problems, a few basic guidelines are suggested

- Check the references and reputation of the other party. Contact people with whom he/she has done businesses. Ask to review their audited financial statements, if available. Check their reputation for paying their expenses and debts on time. Make sure that they are capable of upholding their contractual responsibilities, including providing management or technical expertise.
- Include penalty clauses in any contract so that the cost for breach of contract will make the breach an uneconomical choice, thus decreasing the chances for breach.
- Use a local lawyer in writing a contract. Foreign investors tend to prepare their contracts with the help of their own lawyers that specialize in the investor's field of business. Nothing is wrong with that, but because of the complexity of the legal system in the West Bank and Gaza, it is advisable to consult a local lawyer in order to check the legal validity of the contract and its specific provisions.

CHAPTER 8

FINANCIAL SERVICES

This chapter surveys the banking and other financial services available in Gaza, Jericho and the West Bank for Palestinian businesses and prospective investors. Section A provides an overview of

- Banking in the West Bank and Gaza Strip
- The role of Israeli banks
- Information required to open an account
- Information required to apply for a business loan
- Enforcing loan recovery
- Bank supervision and insurance

Section A concludes with a matrix of financial services offered by commercial banks in Gaza and the West Bank, and a quick reference guide to credit terms offered by commercial banks. The banks included in the matrix are the following ⁷

- ANZ Grindlays Bank
- Arab Bank PLC
- Arab Land Bank
- Bank of Jordan
- Bank of Palestine
- Cairo-Amman Bank
- Commercial Bank of Palestine
- Jordan and Gulf Bank
- National Bank of Jordan
- Palestine Investment Bank

A contact list for commercial banks appears in Appendix A.

⁷Two additional banks have not been included in the matrix because their operations are too new or not even started. The first branch of the Egyptian Bank of Growth and Agricultural Credit opened in Gaza in August 1995. The bank will provide agricultural loans to farmers and intends to expand into the West Bank as the PNA's jurisdiction is expanded. The Jordan-Kuwait Bank expects to open a branch in Nablus in the near future.

Section B examines alternative sources of finance and provides information on their credit and investment programs. Organizations and programs highlighted in this section include

- American Near East Refugee Aid
- Arab Development and Credit Company
- Arab Technical Development Corporation
- British-Palestinian Partnership Scheme
- Economic Development Group
- European Investment Bank
- European Community Investment Partners
- French Import Program
- Islamic Banks
- Palestinian Development and Investment Company
- Save the Children Group Lending Program
- UNRWA's Income Generation Project
- USAID's Loan Guarantee Program
- U.S. Government's Foreign Commercial Services

Section B concludes with a summary of these programs' credit terms. A contact list appears in Appendix A.

A OVERVIEW OF BANKING

I BANKING IN THE WEST BANK AND GAZA STRIP

The Palestinian finance sector is dynamic and growth-oriented, as evidenced by the number of new banks and investment companies that have been established recently. In addition, initial plans have been made for opening a Palestinian Securities Exchange. In 1994, the number of banking institutions operating in Gaza and the autonomous areas of the West Bank doubled. By mid-1995, the area was served by 10 commercial banks with 41 branches, and another 9 banks had plans to open. Supervision and regulation of banks in the Palestinian Territories is being transferred to the recently-organized Palestinian Monetary Authority (PMA), which is headquartered in Gaza City. As yet, the PMA is unable to operate in the full sense as a central bank, but it is expected to increasingly have the authority, jurisdiction and resources to do so.

Many of the former banking regulations and restrictions still apply in Gaza and the autonomous West Bank, as yet, there is no Palestinian Banking Law.⁸ A banking law is expected to be introduced and ratified in about two years; in the meantime, the

⁸Such law is provided for in Article 7, Section 9 of the *Agreement on the Gaza Strip and Jericho*, dated 4 May 1994.

laws of the Civil Administration (a combination of British Mandate Law and Israeli Military Orders in the Gaza Strip, and a combination of Jordanian Law and Israeli Military Orders in the West Bank and Jericho) still apply, with some *de facto* modifications introduced by the PNA. The supervisory banks of all branches in the non-autonomous areas of the West Bank remain the Central Bank of Israel or the Central Bank of Jordan.

All banks, regardless of country of origin and regardless of the location of their branches, must have an Israeli correspondent bank to handle NIS transactions. If the branch is located in the West Bank, a correspondent Israeli bank is also required for transactions involving money coming from or being transferred abroad (e.g., letters of credit). Branches in the West Bank must send a daily report to the Central Bank of Israel. The Arab Bank uses its foreign currency deposits abroad to guarantee the Israel bank's role as correspondent.

As yet, no bank whose head office is registered with the PMA may open a branch in the rest of the West Bank or in Israel because they have no lender of last resort. The Palestinian Monetary Authority is expected to eventually take on this role, although at present it does not have the financial power to do so.

Branches in the West Bank may only deal in New Israeli Shekels and Jordanian Dinars; they may not open accounts for their clients in any other currencies. If a client deposits cash or a cheque in foreign currency in a West Bank branch, the client can only withdraw it from that branch in NIS or JD.

Branches in the PNA may have foreign currency accounts without Israeli supervision and without the need for an Israeli correspondent bank. However, in practice many branches in the PNA still prefer to use an Israeli correspondent bank because goods coming into Gaza and the West Bank still have to be imported through Israel, and Israeli businesses typically refuse to accept guarantees directly from Arab banks. Thus, an Israeli correspondent bank must issue these guarantees.

For a bank to open a new branch in the Gaza Strip or West Bank, permission is required from the Central Bank of Jordan (if a Jordanian-registered bank), the Central Bank of Israel and the Palestinian Monetary Authority. For a bank to open a new branch in the non-autonomous West Bank, it requires permission from the Central Bank of Jordan (if a Jordanian-registered bank) and the Central Bank of Israel and, although it does not officially require permission from the Palestinian Monetary Authority, most banks request this with a view to the future political situation.

Clearinghouse services in NIS are provided by the Israel correspondent bank (see below); clearinghouse services in JD are provided within the banking system in the

West Bank and Gaza itself with each bank involved in JD transactions holding JD accounts in the other banks

2 THE ROLE OF ISRAELI BANKS

Before the *intifada* 28 branches of Israeli banks were operating on the West Bank, but after 1987 their number dropped to three, with two in Bethlehem and one in Hebron. By July 1995 there was only one branch left - the Mercantile Discount Bank in Bethlehem. Basically Israeli banks have ceased to operate directly in the West Bank. However Israeli banks still continue to play an active role as correspondents. All banks operating in Palestine must have an Israeli correspondent bank to provide the following services

FOREIGN CURRENCY TRANSACTIONS

- Purchase and sale of foreign currency against NIS
- Conversion of foreign currency at cross rates
- Incoming transfers
- Outgoing transfers
- Deposit of checks in foreign currency
- Issuance of bank checks
- Cash deposit and withdrawal
- Interest on deposit of funds in foreign currency
- Account maintenance

NIS TRANSACTIONS

The role of the Israeli correspondent bank is to provide a clearinghouse service for its Arab clients, however, in practice, Arab banks also keep their NIS accounts with the Israeli bank rather than on their own premises

FOREIGN TRADE SERVICES AND TRANSACTIONS

- Import services - opening an account, collecting documents, issuing and servicing letters of credit, issuing guarantees, and other general services (e.g., returning of documents, processing protest fees, etc)
- Export services - opening an account, collecting bills of exchange and other documents, advising and transferring letters of credit, and other related services

There is no standard model for the agreement between an Arab bank and its Israeli correspondent. The banks must negotiate their own agreement, which is then reviewed by the Bank of Israel

The client is not directly involved in any of the transactions between the Arab bank and its Israeli correspondent. The client informs his own bank which transaction he wishes to make, and the Arab bank processes this request through its Israeli correspondent. Service charges are usually calculated on a percentage basis, with a minimum charge applicable in each case.

3 INFORMATION REQUIRED TO OPEN AN ACCOUNT

An **individual** who wants to open a bank account must simply present an Identify Card or passport.

A **company** that wants to open a bank account must present

- A certificate of registration from the Israeli Company Supervisor or the PNA's Company Supervisor,
- Names and copies of Identity Cards or passports of persons authorized to sign on behalf of the company, with evidence of such authorization, and
- Documents detailing the company's policies (such as the articles of incorporation and by-laws)

These requirements are the same regardless of the nationality of the applicant.

4 INFORMATION REQUIRED TO APPLY FOR A BUSINESS LOAN

Typically, banks require the following information from an applicant for a business loan:

- Description of management history of the company
- Description of the company's services and products
- The names of banks and other financial institutions where the borrower has accounts or which have made loans to the borrower in the past
- Information on the company, including number of employees and wholesalers
- Financial information on the company, including sales figures, income and expenses, assets, and current debts
- Purpose of loan
- Proposed collateral
- Source(s) of repayment, including a market study if applicable

The interest charged by the bank naturally varies according to the type of loan, the risk of the project being funded, and bank policy. The matrix at the end of this section provides information on current interest rates.

5 ENFORCING LOAN RECOVERY

Most branches in the Palestinian Territories have only been in existence for about a year thus they have little experience in enforcing recovery of bad debts. The PNA's loan recovery enforcement body is the Palestinian Preventative Security Force, in the West Bank the official loan recovery enforcement body is the Civil Administration but sometimes the Palestinian Preventative Security Force is involved.

Banks in the Palestinian territories tend to be cautious lenders, and they carefully check the credentials, background and reputation of potential borrowers. In addition, banks typically require that the value of collateral equals at least 100 percent of the loan. Some banks are willing to accept personal guarantees from third parties and increasingly, the more dynamic banks are willing to make loans based on the character of the borrower without requiring full collateral for the loan.

6 BANK SUPERVISION AND INSURANCE

Branches of Jordanian-based banks in the West Bank are jointly supervised by the Central Banks of Israel and Jordan; however, in the event of the branch's collapse, the Bank of Israel accepts no responsibility for acting as the bank's insurer. The role of insurer and lender of last resort is taken on by the bank's head office in Amman and by the Central Bank of Jordan, which must send a letter to the Central Bank of Israel guaranteeing the bank before the Central Bank of Israel approves permission for a new branch in the West Bank.

FINANCIAL SERVICES OF COMMERCIAL BANKS

Institution	Types of Credit				Other Services																		
	Loc	LC	Capital Loans	Working Capital Loans	Checking A/C	Credit Cards	Currency Transfers	Foreign Currency	Performance Bonds	ATM	Safe	US Loan	French	Provident	Stock	Special Savings	Underwrite	ATIS	CAR	Special	Housing	Comments	
											Deposit Box	Guarantee Program	Import Program	Fund Mngt	Market Trading	Schemes/ Prize Winning	Stock Issues		Financing	Office Hours			
ANZ Grn dl ys Bank	X	X	X	X	X		X	X	X		X												
Arab Bank PLC	X	X	X	X	X	X	X	X	X	X	X		X				X	X	X	X	X	Vis, M te C rd ATM N bl A Gsz and Birs it U tr v rly	
Arab Land Bank	X	X	X	X	X		X	X	X													Off real est te loans	
Bank f Jordan	X	X	X	X	X		X	X	X		X					X		X					
Bank of Palestine	X	X	X	X	X		X	X	X			X										N perating West Bank branches	
Cairo Amman Bank	X	X	X	X	X		X	X	X		X	X	X		X	X				X		Afternoon ho rs	
C mmercial Bank f																						Afternoon ho rs	
Palestine	X	X	X	X	X		X	X	X		X		X			X				X		One hrs ch sly/Ramallah	
Jordan and Gulf Bank	X	X	X	X	X		X	X	X														
N ti al Bank f																							
Jordan	X	X	X	X	X	X	X	X	X			X										Off rs Maste C rd	
Palestin In estment																							
Bank	X	X	X	X	X		X	X	X					X	X		X					N West Bank branches	

LOC Line f Credit
 LC Letter of Credit
 ATM Autom t d Teller M chines
 ATIS Automatic Telephone Inquiry Service
 A/C Account

Prepared by the Small Business Support Project of the
 U S Agency for International Development

ARAB BANK	ISRAELI CORRESPONDENT
ANZ GRINDLAYS BANK	ISRAEL DISCOUNT BANK
ARAB BANK PLC	ISRAEL DISCOUNT BANK
ARAB LAND BANK	BANK HA-POALIM
BANK OF JORDAN	BANK HA-POALIM
BANK OF PALESTINE	BANK HA-POALIM
CAIRO AMMAN BANK	ISRAEL DISCOUNT BANK
COMMERCIAL BANK OF PALESTINE	BANK HA-POALIM
JORDAN AND GULF BANK	BANK HA-POALIM
NATIONAL BANK OF JORDAN	MERCANTILE DISCOUNT BANK
PALESTINE INVESTMENT BANK	BANK HA-POALIM

CREDIT TERMS FOR COMMERCIAL BANKS

INTEREST RATES AND FEES CHANGE WITH MARKET CONDITIONS

INSTITUTION	ELIGIBILITY	LOAN TERMS	COLLATERAL
ANZ GRINDLAYS BANK	WORKING CAPITAL CAPITAL INVESTMENTS	10% INTEREST ON JORDANIAN DINAR LOANS PLUS 2% TO 3% SERVICE CHARGE	MORTGAGE OF LAND THAT IS REGISTERED IN TABU CHARACTER BASED LENDING
ARAB BANK PLC	COMMERCIAL SECTOR LCs ARE FINANCED UP TO 10% OF TOTAL VALUE BANK GEARED TO LEND TO BIG PROJECTS PARTICIPATES IN FRENCH GOVERNMENT IMPORTS PROGRAM LOOKING TO SERVE AS CONDUIT FOR DONORS FUNDS HAS GLOBAL NETWORK	9 % INTEREST ON JORDANIAN DINAR LOANS PLUS 2% TO 3% SERVICE CHARGE (MAX 15 YEARS) INTEREST ON U S DOLLAR LOANS AT LIBOR RATE PLUS 2% TO 3% SERVICE CHARGE (MAX 15 YEARS) 19% INTEREST ON NIS LOANS PLUS 2% COMMISSION (MAX 2 YEARS)	MORTGAGE OF PROPERTY THAT IS REGISTERED IN TABU CHARACTER BASED LENDING WITH GUARANTORS LENDING BASED ON CASH OR OTHER COLLATERAL HELD WITH BANK'S WORLDWIDE NETWORK OF BRANCHES
ARAB LAND BANK	REAL ESTATE PROJECTS LOCAL BUSINESSES MANUFACTURERS AND TRADERS	INTEREST ON JORDANIAN DINAR LOANS STARTS AT 9% PLUS 2% TO 3% SERVICE CHARGE - 11% INTEREST ON US\$ LOANS	- MORTGAGE OF LAND THAT IS REGISTERED IN TABU POWER OF ATTORNEY (SANAD MUNATHAM) <u>AN EGYPTIAN LAW</u>
BANK OF JORDAN	COMMERCIAL AND INDUSTRIAL ENTERPRISES	9% 11% INTEREST ON JD LOANS 18% INTEREST ON NIS LOANS	MORTGAGE OF LAND THAT IS REGISTERED IN TABU CHARACTER BASED LENDING
BANK OF PALESTINE	LOCAL BUSINESSES SMALL MANUFACTURERS AND TRADERS	10% INTEREST ON J D LOANS PLUS 2% SERVICE CHARGE 11% INTEREST ON U S DOLLAR LOANS PLUS 2% SERVICE CHARGE	MORTGAGE OF LAND THAT IS REGISTERED IN TABU CHARACTER BASED LENDING FOR \$15 000 - \$20 000 BUT REQUIRES GUARANTORS

CAIRO AMMAN BANK	CORPORATE PROJECTS TOURISM LARGE FACTORIES TRADERS PRIVATE INVESTORS CONTRACTORS	9% INTEREST ON JORDANIAN DINAR LOANS PLUS 2% TO 3% SERVICE CHARGE 18% 19% INTEREST ON NIS LOANS	MORTGAGE OF LAND THAT IS REGISTERED IN TABU DEPOSIT AMOUNT EQUIVALENT TO LOAN REQUESTED STOCKS
COMMERCIAL BANK OF PALESTINE	LOCAL BUSINESSES SMALL MANUFACTURERS TRADERS INFRASTRUCTURE SHORT TERM REAL ESTATE	SHORT TERM LOANS ONLY 9% 12% INTEREST ON JORDANIAN DINAR LOANS PLUS 4 5% SERVICE CHARGE 15% 21% INTEREST ON NIS LOANS	MORTGAGE OF LAND THAT IS REGISTERED IN TABU CHARACTER BASED LENDING
JORDAN AND GULF BANK	LOCAL BUSINESSES PRIVATE INVESTORS TRADERS CONTRACTORS INDUSTRIAL PROJECTS	SHORT TERM LOANS ONLY 9% INTEREST ON JORDANIAN DINAR LOANS PLUS 2% TO 3% SERVICE CHARGE 19% INTEREST ON NIS LOANS PLUS 2% COMMISSION	MORTGAGE OF LAND THAT IS REGISTERED IN TABU CHARACTER BASED LENDING
NATIONAL BANK OF JORDAN	WORKING CAPITAL COMMERCIAL AND INDUSTRIAL PROJECTS PERSONAL LOANS SHORT TERM HOUSING LOANS	9% INTEREST ON JD LOANS PLUS 3 5% COMMISSION MAX 22% INTEREST ON NIS LOANS INCLUDING COMMISSION	MORTGAGE OF LAND THAT IS REGISTERED IN TABU CHARACTER BASED LENDING STOCKS
PALESTINE INVESTMENT BANK	COMMERCIAL REAL ESTATE CONTRACTING SECTORS	10% INTEREST ON JD LOANS PLUS 2% SERVICE CHARGE 2 5% OVER LIBOR ON U S DOLLAR LOANS PLUS 2% SERVICE CHARGE	MORTGAGE OF LAND THAT IS REGISTERED IN TABU CHARACTER BASED LENDING

B ALTERNATIVE SOURCES OF FINANCING

Below, alternative sources of financing for Palestinian businesses are described. These include organizations that have specialized credit programs and some programs of international agencies. Following these descriptions, a table on Credit Terms for Development Finance Programs is included as a quick-reference guide to these resources.

I AMERICAN NEAR EAST REFUGEE AID

Better known as ANERA, this non-profit organization was established in 1968, with the goal of reducing poverty and relieving suffering in the Middle East, especially among Palestinians and Lebanese. ANERA's general policy is to work in cooperation with indigenous institutions to design and implement social and economic development projects.

ANERA is involved in three loan schemes. Two of them, targeted to farmers and fishermen, operate in cooperation with the Arab Bank PLC and the Palestinian Ministry of Agriculture. The third loan program targets women entrepreneurs in Gaza.

LOANS FOR SMALL FARMERS AND FISHERMAN

This loan program only operates in Gaza and Jericho. The scheme for farmers is administered by ANERA and local cooperatives, while the scheme for fishermen is administered by CARE. The agricultural scheme has a budget of \$3 million over 3 years (starting July 1994), while the fishermen scheme has a budget of \$650,000.

For both schemes, ANERA shares the credit risk with the Arab Bank PLC. Eligible projects include greenhouses, agricultural production, and boat building or purchase of fishing equipment. Priority is given to projects that introduce new exportable agricultural products, emphasize water conservation, demonstrate a strong market potential, or increase the income of small farmers. Loans range between U.S. \$2,000 - U.S. \$8,000, with flexible repayment terms (depending on the type of project) and low-end market interest rates. Borrowers must have at least 40 percent equity in the project. Loans are made through cooperatives, and collateral can include fixed assets or guarantors, or other collateral deemed suitable by ANERA.

LOANS FOR WOMEN ENTREPRENEURS IN GAZA

This new credit program will be administered by the Society for Free Thought and Culture Reform based in Khan Younis. Loans will range between U S \$1,000 - U S \$3,000 for women entrepreneurs, mainly from the poorer region of south Gaza. The program will operate in conjunction with a local Arab bank.

2 ARAB DEVELOPMENT AND CREDIT COMPANY

Founded in 1985, the Arab Development and Credit Company is a non-profit organization serving the rural West Bank. Recently, it opened an office in Gaza. Principally, it supports small agricultural enterprises, but it is planning to expand its financing to larger non-agricultural projects.

Priority for loans is given to existing businesses, but 25 percent of ADCC's loan portfolio consists of new ventures. Eligible projects include agricultural production, agribusinesses, greenhouses, and irrigation projects. Loans range between U S \$25,000 - U S \$100,000, with repayment periods of two to three years. ADCC accepts both land and guarantors as collateral.

3 ARAB TECHNICAL DEVELOPMENT CORPORATION

Founded in 1989, the Arab Technical Development Corporation (ATDC) finances projects in industry, tourism, and other services. Priority is given to projects that can demonstrate job creation, technology transfer, import substitution, or use of local raw materials. Loan sizes range between U S \$50,000 - U S \$150,000, and repayment terms are relatively flexible. Borrowers need to present a realistic cash flow projection, and provide collateral in the form of land and personal guarantors.

4 BRITISH-PALESTINIAN PARTNERSHIP SCHEME

The British-Palestinian Partnership Scheme (BPPS) was launched in 1994 to support

- Good government
- Enhance productive capacity
- Poverty alleviation
- Human development
- Women in development
- Environment protection
- Special humanitarian concerns

Priority is given to projects which link British institutions and companies with Palestinian counterparts, and which involve a transfer of skills or "know-how" Proposals may be submitted by PNA Ministries, municipalities, NGOs, and British and Palestinian private businesses Proposals must identify a project's beneficiaries and constituents, and include a detailed budget, including the amount requested from the BPPS and the amount contributed by the applicant and by other organizations The maximum contribution from the BPPS is £40,000 (approximately U S \$65,000 or NIS 184,000)

5 ECONOMIC DEVELOPMENT GROUP

Founded in 1986 to support activities that would reduce dependence on Israel and create a strong Palestinian economic and social infrastructure, the Economic Development Group initially targeted four target groups women, unemployed, university graduates, and released political prisoners Eligible projects included agricultural, industrial and service enterprises Starting in 1994, the EDG began to finance larger businesses (mainly in the industrial sector) Today, the EDG is concentrating specifically on the industrial and tourism sectors

Loan sizes range between U S \$25,000 - U S \$300,000 Special consideration is given to small-scale businesses operated by women and the physically disabled, and to merchants to finance trade in locally-produced goods The repayment period depends on type of project, but in general, full repayment is expected within a maximum of seven years, including a grace period of one year EDG does not charge interest on its loans, instead, an annual service charge of 7 to 9 percent is levied This service charge is deducted from the amount of the loan For loans over U S \$25,000 a mortgage on land is required, which is valued at 70 to 100 percent of the loan amount For smaller loans, the only collateral requirement is two or three guarantors as co-signers

6 EUROPEAN INVESTMENT BANK

The European Investment Bank (EIB) provides 'Global Loans' for developing countries The EIB has an annual budget of 50 million ECU⁹ for projects in the West Bank, Jericho and Gaza The EIB supports small- and medium-sized enterprises through the use of credit lines via Arab banks as on-lenders to Palestinian companies These credit lines are channelled through banks and other financial institutions These intermediary institutions submit project applications for EIB approval and, if the EIB approves, then the intermediary institution on-lends funds in local currency to local projects

⁹1 ECU = approximately U S \$1 34

In 1995, the EIB had approximately 10 million ECU for lines of credit to be provided through the Arab Bank PLC and Cairo Amman Bank. The EIB provides funds to these banks at preferential rates and the banks guarantee these loans with their own funds held in Jordan and abroad.

7 EUROPEAN COMMUNITY INVESTMENT PARTNERS (ECIP)

This investment scheme, which was founded in 1988, provides grants, subsidized loans, and equity capital - depending on the type of project and local partner. Funding is provided through four different "facilities" of the ECIP. Projects eligible for assistance can be in the agricultural, service or manufacturing sectors. ECIP has also backed social projects that are under private management, notably in the health and infrastructure sectors. The table on the next page provides information on each of ECIP's funding programs.

8 FRENCH IMPORT PROGRAM

This program, introduced in June, 1993, with funding of FF20 million, helps finance imports of equipment as a means to support the development of the Palestinian private sector. Small- and medium-size Palestinian firms apply for a loan at participating banks to finance the purchase of equipment, provided that the equipment comes from France. Up to 35 percent of the loan is then converted to a grant requiring no repayment. The minimum loan amount is equivalent to approximately U.S. \$100,000. All projects must be approved by a Palestinian Experts Committee (composed of representatives from the Palestinian Economic Council for Development and Reconstruction, or PEC DAR) and French authorities. Participating banks include Cairo Amman Bank, Arab Bank, Commercial Bank of Palestine, and the Bank of Jordan.

9 ISLAMIC BANKS

Islamic banks follow procedures and principals that differ significantly from commercial banks, and they are growing in popularity in the Muslim world. Essentially, Islamic-based lending practices are based on the concept of 'interest-less' banking which derives from religious beliefs forbidding the receiving or paying of interest. There is currently only one Islamic investment company in the West Bank and Gaza Strip, Beit Al-Mal, that provides credit following Islamic banking practices. To date, Beit Al-Mal has concentrated on real estate development. A second Islamic bank, the Palestinian Islamic Bank, is currently seeking partners and is due to start functioning very soon. A more detailed review of Islamic banking practices appears later in this chapter.

ECIP	FACILITY 1	FACILITY 2	FACILITY 3	FACILITY 4
TYPE OF OPERATION	IDENTIFICATION OF POTENTIAL JOINT VENTURE PROJECTS AND PARTNERS	OPERATIONS PRIOR TO LAUNCHING A JOINT VENTURE	FINANCING OF CAPITAL REQUIREMENTS	HUMAN RESOURCE DEVELOPMENT TRAINING AND MANAGEMENT ASSISTANCE
CLIENTS	CHAMBERS OF COMMERCE PROFESSIONAL ASSOCIATIONS PUBLIC AGENCIES AND ECIP FINANCIAL INSTITUTIONS INDIVIDUAL COMPANIES MAY NOT BENEFIT FROM THIS FACILITY	LOCAL OR EUROPEAN COMPANIES ACTING EITHER AS INDIVIDUAL COMPANIES OR JOINTLY WISHING TO UNDERTAKE A JOINT INVESTMENT PROJECT	JOINT VENTURES ESTABLISHED BY PARTNERS FROM THE EC AND FROM THE COUNTRY BOTH PARTNERS MUST HAVE A MEANINGFUL PARTICIPATION LOCAL COMPANIES MAKING AN INVESTMENT UNDER A LICENSING AND TECHNICAL AGREEMENT WITH AN EC COUNTRY	
ACCESS	THE CLIENT MAY APPLY DIRECT TO THE EC OR THROUGH A FINANCIAL INSTITUTION	APPLICATION MUST BE MADE THROUGH A FINANCIAL INSTITUTION		
TYPE OF FINANCE	GRANT	INTEREST FREE ADVANCE TO BE CONVERTED LATER EITHER INTO A GRANT A LOAN OR AN EQUITY	EQUITY HOLDING OR EQUITY LOAN THE FINANCIAL INSTITUTION MUST CO-FINANCE THE LOAN	INTEREST FREE LOAN THE FINANCIAL INSTITUTION MUST CO-FINANCE THE LOAN
AMOUNT AVAILABLE	MAX OF ECU 1 MILLION	MAX OF ECU 250 000 THE MAXIMUM TOTAL SUPPORT PER PROJECT IS ECU 1 MILLION	MAX OF ECU 1 MILLION	MAX OF ECU 250 000
LIMITS	UP TO 50% OF THE COST	UP TO 50% OF THE COST	20% OF THE CAPITAL OF THE JOINT VENTURE	UP TO 50% OF THE COST

ISLAMIC BANKING

THE CONCEPT OF ISLAMIC BANKING ORIGINATED IN 1955 IN PAKISTAN AND THE FIRST ISLAMIC BANK THE NASSER SOCIAL BANK WAS ESTABLISHED IN EGYPT IN 1962 IN 1975 THE ISLAMIC DEVELOPMENT BANK WAS ESTABLISHED IN JEDDAH BY SEVERAL STATES WITH THE AIM OF FUNDING PROJECTS IN UNDERDEVELOPED ISLAMIC COUNTRIES IN 1978 THE ISLAMIC LENDING HOUSE WAS ESTABLISHED IN KUWAIT THE FAISAL BANK IN EGYPT AND THE ISLAMIC BANK IN JORDAN ISLAMIC BANKS CAN BE ESTABLISHED EITHER BY INDIVIDUALS OR BY GOVERNMENTS SOME ISLAMIC BANKS OPERATE UNDER ISLAMIC RULE (IN STATES SUCH AS IRAN AND PAKISTAN) WHILE OTHERS OPERATE ALONGSIDE COMMERCIAL BANKS (IN STATES SUCH AS JORDAN) OUTSIDE THE ISLAMIC WORLD ITSELF SOME COUNTRIES HAVE LAWS WHICH PROHIBIT THE OPERATION OF ISLAMIC BANKS (BRITAIN) WHILE OTHERS TOLERATE THEIR PRESENCE (DENMARK)

ISLAMIC BANKS NEITHER CHARGE NOR RECEIVE INTEREST HOWEVER THEY DO ACCEPT DEPOSITS AND OFFER MOST OF THE SERVICES THAT COMMERCIAL BANKS PROVIDE THEIR CUSTOMERS (E G BANK GUARANTEES FOREIGN CURRENCY TRANSACTIONS MONEY TRANSFERS ETC) SUCH SERVICES MUST BE PAID FOR IN TERMS OF A FEE AND NOT AS AN INTEREST CHARGE WITH THE FEE AMOUNT VARYING ACCORDING TO THE AMOUNT OF THE TRANSACTION ISLAMIC BANK PRACTICES ARE BASED ON SHARING WHEREBY FUNDS ARE INVESTED IN PROJECTS WITH THE AIM OF ENCOURAGING SAVINGS AND INCREASING INVESTMENT OPPORTUNITIES PROFITS AND LOSSES ARE SHARED BY BOTH PARTIES THE BANK AND THE BUSINESSMAN OR INVESTEE NOTES PAYABLE ARE ISSUED AGAINST LOANS FOR EXAMPLE TO FINANCE THE PURCHASE OF A HOME EQUIPMENT OR APPLIANCES HOWEVER THERE IS NO FIXED INTEREST ON THESE LOANS INSTEAD FEES OR SERVICE CHARGES VARY DEPENDING ON THE LOAN SIZE AND PAYMENT SCHEDULE

ISLAMIC BANKS ARE SUPPOSED TO CONSIDER THE SOCIAL BENEFITS AND VALUE OF PROJECTS THAT THEY PLAN TO FINANCE AND NOT JUST THE FINANCIAL RETURN NO LOANS ARE GIVEN OUT IN A STRICTLY COMMERCIAL SENSE BUT RATHER 'BENEFICIARY LOANS' ARE GIVEN OUT INTEREST FREE (E G A LOAN TO A VILLAGE TO FUND A PUBLIC HOUSE OR SOCIAL PROJECT) BANKS ACCEPT REGULAR DEPOSITS FOR CURRENT ACCOUNTS BUT NO INTEREST IS CHARGED FOR OVERDRAFTS FEES ARE CHARGED FOR EACH TRANSACTION DISPUTES BETWEEN THE BANK AND CLIENT ARE FREQUENTLY SETTLED BY *SHARIA* OR ISLAMIC LAW

FOR INVESTMENTS A CONTRACT SHOULD BE ENTERED INTO THAT DETAILS THE TERMS OF THE INVESTMENT AND THE PROFIT AND LOSS SHARING AGREEMENT THERE ARE THREE BASIC INVESTMENT SCHEMES OR APPROACHES

DEFINED INVESTMENTS

DEFINED INVESTMENTS ARE COMPARABLE TO VENTURE CAPITAL THE MAIN ATTRIBUTES OF A DEFINED INVESTMENT ARE

- BOTH PARTIES AGREE ON THE PROFIT MARGIN

- A FEE IS DEDUCTED FOR ADMINISTRATIVE EXPENSES AND
- FUNDS ARE PROVIDED TO COVER LABOR COSTS

A CONTRACT IS DRAWN UP BETWEEN THE TWO PARTIES THAT DEFINES AND INCLUDES PROVISIONS FOR THE

- SCOPE OF THE PROJECT
- MINIMUM AMOUNT OF FUNDS TO BE PROVIDED
- PERIOD OR LIFE OF THE INVESTMENT
- AMOUNT OF GRACE PERIOD BEFORE ACTUAL WORK BEGINS WITH A STIPULATION THAT THE INVESTED FUNDS ARE TO BE RETURNED IF THIS GRACE PERIOD SHOULD ELAPSE BEFORE WORK BEGINS
- POWER OF ATTORNEY TO BE PROVIDED BY THE INVESTOR TO START WORK AND
- PERCENTAGE OF PROFITS TO BE SHARED AND TIME WHEN PROFITS ARE TO BE DISTRIBUTED

SHARED INVESTMENTS (*MUSHARAKA*)

THE MOST COMMON PROJECTS FINANCED BY THIS TYPE OF INVESTMENT ARE BUILDINGS TO BE SOLD OR LEASED AS APARTMENTS OFFICES OR INDUSTRIAL PARKS SHARED INVESTMENTS ESSENTIALLY OPERATE LIKE PARTNERSHIPS AND CAN BE STRUCTURED ON AN EQUAL AND CONSTANT PERCENTAGE OF PAYBACK OR RETURN OR ON A DIMINISHING SCALE WHEREBY IN THE END ONE PARTY BECOMES THE SOLE OWNER OF THE PROJECT AN AGREEMENT IS MADE AS TO THE TYPE OF PROJECT HOW THE PROJECT IS TO BE MANAGED AND THE DURATION OF THE PARTNERSHIP UNDER SHARED INVESTMENTS THE PROJECT'S CAPITAL IS DIVIDED INTO SHARES WITH PROFITS DISTRIBUTED BASED ON THE DIVISION OF SHARES EACH PARTY HAS THE OPTION TO BUY OUT PART OF THE OTHER'S SHARES EVERY YEAR THUS GIVING THE INVESTOR A MECHANISM TO GAIN SOLE OWNERSHIP OF THE PROJECT OVER TIME IT IS POSSIBLE TO SELL A PORTION OF THE SHARES TO A THIRD PARTY WITH THE BANK'S APPROVAL OF THE SALE LOSSES ARE ALSO SHARED BASED ON THE DISTRIBUTION OF SHARES

SELLING FOR A PROFIT (*MURABAHA*)

THIS INVESTMENT APPROACH IS TYPICAL FOR THE PURCHASE OF EQUIPMENT HOME APPLIANCES AND VEHICLES IT IS EASIER TO ADMINISTER THIS TYPE OF INVESTMENT TYPICALLY A CUSTOMER SIGNS A CONTRACT TO PURCHASE A PIECE OF EQUIPMENT AT A CERTAIN PRICE THE BANK BUYS THE EQUIPMENT AND SELLS IT TO THE CUSTOMER AT A PROFIT BUT KEEPS THE TITLE OF OWNERSHIP THE EQUIPMENT CAN BE SOLD FOR CASH OR IN INSTALLMENTS DEPENDING ON THE CASH FLOW EXPECTED TO BE GENERATED FROM UTILIZING THE EQUIPMENT OR SIMPLY THE CLIENT'S ABILITY TO PAY A PAYMENT AGREEMENT IS ENTERED INTO IN THE EVENT OF DEFAULT THE PREVIOUS PAYMENTS ARE CONSIDERED AS PREPAID LEASE WITH THE EQUIPMENT NOW BECOMING LEASED BY THE BANK AND THE CUSTOMER LOSING THE RIGHT TO OWNERSHIP

10 PALESTINE DEVELOPMENT AND INVESTMENT LTD (PADICO)

Palestine Investment and Development Ltd, or PADICO, is an investment company which manages a capital fund of about U S \$ 200 million. PADICO's investors include Palestinians living abroad. PADICO operates in conjunction with and as an umbrella organization for a number of subsidiary or affiliated shareholding investment companies, including the Palestine Real Estate Investment Company (Gaza), the Jerusalem Tourism Company, and the Palestine Industrial Investment Company (Nablus). Priority sectors for PADICO's investments are

- Tourism
- Real estate and housing
- Industry and manufacturing
- Industrial estates
- Finance
- Power generation
- Telecommunications

PADICO and its affiliated companies do not provide credit, but businesses can present investment proposals for its consideration. If it meets with their approval, PADICO may decide to participate in the project, usually as equity partners which means that it shares in profits and losses accordingly.

11 SAVE THE CHILDREN GROUP LENDING PROGRAM

Save the Children Federation (SCF), an international development agency, has a small loan program targeted to women in Nablus and Gaza. With support from SCF, ten or more women form groups and become eligible borrowers. Loans are made to the group, and the group as a whole guarantees repayment. The initial loan size is limited to JD 200, but once this is repaid, the group is eligible to borrow additional funds, gradually increasing to a maximum loan amount of JD 700. Loans are intended to help women expand their micro enterprises. Women who participate in the program are also required to save JD 3 per month. These savings are held in a group account and cannot be withdrawn. Eventually, the savings will be used to capitalize local credit unions.

12 UNRWA'S INCOME GENERATION PROJECT

UNRWA - the United Nations Relief and Works Agency - offers two credit programs for Gaza businesses: a revolving loan fund for small manufacturers, and a group lending program for women entrepreneurs. Loans from the revolving fund range from U S \$ 1,000 to U S \$ 70,000, with the average loan size at U S \$ 24,000. Borrowers must invest some equity in a project, usually in the range of 20 to 50

percent In the past, interest rates have varied, but in January, 1995, UNRWA adopted a unified interest rate of 11 percent

The group lending program for women is targeted to lower income businesses Eligibility for this program is limited to women who are

- 18 years of age or older
- Currently engaged in some commercial activity
- Important sources of income for their families

Under this program, loans are made to groups of women, who exert peer pressure to ensure repayment and compliance with other loan terms Groups must of consist of at least four women, preferably from the same community, and no more than two members can be from the same immediate family

1.3 USAID'S LOAN GUARANTEE PROGRAM

In 1994, the U S Agency for International Development established a U S \$8 million loan guarantee program to mobilize credit and other types of financial support for small Palestinian businesses operating in the West Bank and Gaza Strip Under this program, USAID guarantees 50 percent of the loan in the event of default, thus, the program encourages banks to make loans on the basis of business and risk analysis, without requiring that a borrower pledge collateral equivalent to the full value of the loan All loans are made in local currency

Currently, three banks are participating in this loan guarantee scheme Cairo Amman Bank, Bank of Palestine, and National Bank of Jordan (Additional banks are expected to join the program in the near future) Loans can be used for a wide range of productive and commercial activities, and they can include commercial loans, lines of credit, overdrafts, commercial letters of credit, and guarantees Borrowers must be 100 percent privately owned Maximum loan amounts are

- For micro enterprises, defined as businesses with five or fewer employees, the maximum loan is U S \$5,000, and
- For small enterprises, defined as businesses with total assets of U S \$250,000 or less (excluding land and buildings) the maximum loan is U S \$150,000

1.4 U S GOVERNMENT'S FOREIGN COMMERCIAL SERVICES

The U S Government, through its office of Foreign Commercial Services (FCS), offers an array of financial and business services intended to promote trade between

American, Palestinian and Israeli businesses Many of these services and programs are targeted to the Palestinian Territories to support their economic development

Among its business services, the arranges U S trade missions to Gaza and the West Bank, and arranges meetings with local firms interested seeking foreign investment The FCS also tries to facilitate matchmaking by responding to inquiries by both Palestinian and American companies seeking to do business with the other The FCS can assist Palestinian companies identify U S sources of supplies and materials The FCS has also been providing assistance to Palestinian businessmen who want to enter into an agency or franchise agreement with American companies

The FCS does not offer financing itself, but it can advise Palestinian businessmen who are interested in two U S Government finance programs

■ OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation (OPIC) encourages U S businesses to invest in developing countries and emerging market economies, thus promoting economic growth at home and abroad OPIC offers project financing, investment insurance, and other investor services A number of OPIC-sponsored trade missions have already visited the Palestinian Territories, resulting in important joint venture and business deals

OPIC loan guarantees and insurance obligations are backed by the U S Government and OPIC's own substantial financial reserves Its investment resources include

- Medium-to long-term financing for sound overseas projects through loan guarantees and direct loans, and
- Insurance for U S investors in emerging markets and developing countries against the risks of currency inconvertibility, expropriation, and political violence

■ EXPORT IMPORT BANK

The Export Import Bank offers credit for purchasing machinery or consumer products from the U S Loan terms are reasonable, with the interest rate generally somewhat below market rates Technically, however, the U S Export Import Bank is not open for business in the West Bank or Gaza, although the likelihood is that it will be operating there in the near future In the meantime, a Palestinian businesses interested in this source of financing can arrange to have a guarantor in a country in which it does operate (such as Jordan and Egypt), or it can request that the loan be made through a U S exporter who has an existing insurance policy with the Export Import Bank

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ARAB TECHNICAL DEVELOPMENT CORPORATION	TOURISM INDUSTRY OTHER SERVICES PROJECTS THAT CREATE EMPLOYMENT SUPPORT EXPORTS RESULT IN TECHNOLOGY TRANSFER USE LOCAL RAW MATERIALS OR SUBSTITUTE IMPORTS BORROWER SHOULD INVEST MATCHING FUNDS IN PROJECT FIRST	LOANS RANGE BETWEEN \$50 000 \$150 000 REPAYMENT PERIOD OF 2-7 YEARS GRACE PERIOD OF 6-12 MONTHS 7% SERVICE CHARGE REALISTIC CASH FLOW ANALYSIS	MORTGAGE OF LAND REGISTERED IN TABU TWO GUARANTORS TO CO-SIGN IOUS
ECONOMIC DEVELOPMENT GROUP	INDUSTRY TOURISM AGRO EXPORTS SMALL SCALE CREDIT TO WOMEN OR PHYSICALLY HANDICAPPED WORKING CAPITAL FOR TRADERS TO FINANCE LOCALLY PRODUCED MATERIALS BORROWER SHOULD FIRST INVEST MATCHING FUNDS 20%-50% OF PROJECT COST	LOANS RANGE \$25 000 \$300 000 REPAYMENT PERIOD BETWEEN 1-5 YEARS GRACE PERIOD OF 1 YEAR SERVICE CHARGE 8-5% REALISTIC CASH FLOW ANALYSIS	FOR LOANS OVER \$25 000 MORTGAGE OF LAND THAT IS REGISTERED IN TABU WITH A VALUE OF 70%-100% OF THE LOAN AMOUNT LOANS UNDER \$25 000 REQUIRE 2-3 GUARANTORS AS CO-SIGNERS
SAVE THE CHILDREN FEDERATION	GROUP LENDING & SAVING SCHEME TARGETING POOR WOMEN IN URBAN AREAS OF W BANK & GAZA STRIP (CURRENTLY NABLUS JABALIA KHAN YOUNIS) -GROUPS OF 10 WOMEN AT LEAST	INITIAL LOAN JD200 FOR 6 MONTHS LOAN INCREASES IN EVERY CYCLE UNTIL IT REACHES JD 700 IN CASE OF 100% TIMELY REPAYMENT RATE INCREMENT AMOUNT PER CYCLE PROPORTIONAL TO *# OF MEETINGS ATTENDED *AMOUNT OF SAVINGS *CAPACITY OF PROJECTS JD 20 ADMINISTRATIVE FEE ON FIRST LOAN -COMPULSORY SAVINGS JD 3 PER MONTH BIWEEKLY REPAYMENTS	-GROUP SERVES AS GUARANTOR

UNITED NATIONS RELIEF AND WORKS AGENCY	REFUGEES AND CITIZENS OF GAZA STRIP OR W BANK WORKSHOPS PRODUCTION FIRMS CONTRACTORS PURCHASE OF RAW MATERIALS WORKING CAPITAL PRIORITY GIVEN TO WOMEN	LOANS RANGE \$3 000 \$30 000 INTEREST RANGES BETWEEN 7%-9% REPAYMENT PERIOD OF 24 36 MONTHS	TWO GUARANTORS REQUIRED LOANS SERVICED BY CAIRO AMMAN BANK
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CHAPTER 9

INVESTMENT INCENTIVES AND OPPORTUNITIES

A INVESTMENT INCENTIVES

The Palestinians are actively seeking investment to rebuild their economy. Several entities are working to facilitate investment and business development.

The Department of Indicative Planning for Private Investment in the Ministry of Planning and International Cooperation is preparing a series of in-depth surveys and analyses of economic sectors. Another institution, the Palestinian National Agency for the Encouragement of Investment, is in the planning stage. This agency is expected to be a one-stop shop, providing all the necessary information and assistance needed by investors. The Economic Affairs Department of the Orient House has established a Private Sector and Investment Unit with the purpose of stimulating private investment, particularly by foreign investors, in East Jerusalem and other areas of the West Bank still under Israeli occupation.

In April 1995, the PNA's Ministry of Economy, Trade and Industry took an important step and formed the Higher Palestinian Council for the Promotion of Investment. This 15-member council is a separate government entity headquartered in Gaza City which is empowered to approve investment projects, help investors locate industrial land and obtain work and residency permits, and grant incentives to investors. These incentives can take the form of five-year tax holidays and permission to import capital equipment tax-free.

The award of investment incentives is based on the size of the proposed project (including capital investment and projected number of employees). Projects are automatically awarded incentives if they meet the requirements. Incentives are not offered for manufacturers of products that require a special license, including weapons and parts of weapons, aerospace projects and airports, production and distribution of electricity, recycling and handling of waste, production of petrol and its derivatives, and telecommunications projects. The classification of investment proposals follows:

- Group A - projects with a minimum capitalization of US\$500,000 and a permanent work force of 25 or more workers will be granted a 5-year tax holiday (including income tax and customs fees exemptions)
- Group B - projects with a minimum capitalization of US\$150,000 and a permanent work force of not less than 15 workers will be granted a 3-year tax holiday (including income tax and customs fees exemptions)
- Group C - projects with a minimum capitalization of US\$100,000 and a permanent work force of not less than 10 workers will be granted a 2-year tax holiday (including income tax and customs fees exemptions)
- Group D - projects with a minimum capitalization of US\$5 million and a permanent work force of not less than 50 workers will be granted "exceptional exemptions" that will be decided by the Investment Council
- Other exceptional exemptions will be granted to projects whose proportion of production for export is at least 25 percent, as long as the value added proportion is not less than 30 percent. In the case of agricultural projects for export, the council may decide on additional incentives

An investor applies for these exemptions by submitting an application and a copy of the project's feasibility study. The Investment Council is required by law to respond within 60 days. In the case of approval, the investor must submit a working plan for the project, including all the steps to be followed in order to implement the project.

In the case of the transference of ownership of a project, the new owner takes over the obligations and rights of the founder, and is entitled to all the benefits of the project. Should the owner of an approved project wish to sell fixed assets of the company, prior approval by the Investment Council is required. The Encouragement of Investment Law, which authorized the formation of the Investment Council, also guarantees against nationalization or expropriation of any investment. This law gives the same rights to all investors. The right of permanent residency is granted to any investor in the Palestinian territories, as is the right to repatriate some capital after the payment of all fees required by Palestinian law.

B INVESTMENT OPPORTUNITIES

The Palestinian manufacturing sector is diverse with a skilled labor pool, and it is increasingly reliant on state-of-art technology. Obviously, the Israeli occupation prevented access to international markets, and many firms fell behind in terms of market trends and technology. But there is an inherent dynamism to Palestinian businesses, and as barriers are removed, they are quickly adapting to global conditions. A new joint venture in Nablus, for instance, will be producing printed

circuit boards for sale in the U S , and a pharmaceutical company in Bethlehem is close to being certified under the U S Food and Drug Administration's system of Good Manufacturing Practices In Hebron, a firm is using laser technology to produce stone cutting saws Other companies, from tanneries to metal workers, are upgrading their equipment and improving their quality

A recent survey conducted by the PNA's Central Bureau of Statistics indicates that there are over 56,000 active private enterprises in the West Bank and Gaza Over 20 percent of these are in manufacturing, construction, and mining and quarrying Many sectors are prime for investment and development A few examples are given below

Tourism As a result of the occupation, the Palestinian tourist industry is woefully under-developed In 1967, Arab hotel capacity was frozen at 2,377 rooms in Gaza and the West Bank, including East Jerusalem By contrast, since 1967 the number of hotel rooms in Israel increased to over 31,000, including a 380 percent increase in West Jerusalem The number of Palestinian tour operators has actually fallen, in part because only four new licenses were issued for the Palestinian areas of Jerusalem and Bethlehem Given the rich cultural heritage of Palestine, clearly there are significant opportunities for investment in tourism

Stone and marble While the West Bank may lack many natural resources, it has an abundant supply of stone and marble for construction Over 300 firms annually produce 250,000 square meters of cut stone, with an estimated value of US\$160 million The milky white Jerusalem Stone is famous worldwide Despite some obvious competitive advantages, however, few quarries have been exporting, and others need to upgrade equipment In this subsector, there are numerous opportunities for trading, partnerships, and joint ventures

Food processing Palestinian companies are making everything from pasta to pickled eggplant and chocolate to dried falafel mixes Palestinian agricultural products are considered to be world-class, and these provide the raw materials for a wide range of processed foods with strong potential for market expansion locally and internationally The Palestinian food processors are considered by industry analysts to be more advanced with higher quality output than found in other countries in the region, thus, they could quickly become very competitive in the Middle East Many food processors are seeking trading partners and opportunities for producing under license

Garments and shoes Garment manufacturers are concentrated in Gaza and the leather industry is centered in Hebron Commonly, these firms work as

subcontractors to Israeli companies, and they produce high-quality merchandise that is sold with an Israeli label in the U S and Europe. Finished products include children's clothes, blue jeans, and casual wear. Many companies are primed for direct export, in addition, they are seeking new subcontracting and licensing opportunities.

Packaging While generally not considered a subsector *per se*, packaging is a major industry in all developed economies. Clearly, the Palestinian packaging industry needs to be upgraded to compete internationally. As the Palestinian economy expands, it is predicted that the packaging industry will experience rapid growth.

Handicrafts Hand-crafted items from the Holy Land have a special appeal and a large market¹. Specialty items include religious objects in mother-of-pearl and olive wood, but there is a full range of unique Palestinian handicrafts. Hebron glass is known worldwide, and there is a growing demand for other hand-painted Palestinian glassware. Ceramics, both decorative and useful, are produced in Gaza and the West Bank. Many producers are already exporting to the U S and Europe, in addition to serving the local tourist industry.

These are just a few of the many manufacturing subsectors in the Palestinian economy. Other active subsectors include plastics manufacturers with a full range of competitively-priced products, pharmaceutical companies producing high-standard prescription and over-the-counter drugs, and manufacturers of furniture, cosmetics, industrial equipment, computers, luggage, and building materials.

CHAPTER 10

LABOR LAWS AND REGULATIONS

In the absence of clearly defined and enforceable Palestinian labor laws in the West Bank and Gaza, the governing statutes are a combination of pre-1967 Jordanian labor laws, Egyptian labor laws, and Israeli laws and military orders which have had the effect of amending the Jordanian laws. The PNA is currently working on drafting a new labor law that should become effective as soon as the Palestinian Council is elected with authority to pass such laws.

Recently the trend has been for many larger Palestinian employers to make collective agreements that guarantee the minimum in rights and privileges for their employees. The Palestinian Labor Federation has been and still is active in facilitating such agreements. In East Jerusalem, Israeli labor laws, which differ somewhat from Palestinian administered labor law, apply to all areas and aspects of workers' rights.

A. LABOR PRACTICES IN THE WEST BANK AND GAZA

WORK HOURS

The standard work hours are 8 hours per day and 40 hours per week.

TERMINATION PAY

Full-time employees who have worked for at least one year are entitled to receive a termination or severance pay at the end of their service, regardless of whether they are terminated voluntarily or for cause. This payment is calculated by taking their most recent monthly salary and multiplying it by the number of years of service with the organization (partial years are prorated). This applies to both private and public organizations.

An employee who works for less than eight months is not entitled to receive termination pay.

JOB TERMINATION

Employees are required to give at least a 30 day notice of intent to quit his/her job. If the employer chooses to terminate an employee, he is required to give a 30 day notice of termination. In lieu of notice, the employer can give one month's salary to the terminated employee. The employer is still required by law to pay the employee's "termination pay" and any unused leave which has accrued to date.

An employee is considered terminated if he/she does not show up to work for 20 consecutive days without prior permission or plausible cause, or if he/she refuses to go back to work after being served notice to do so by the employer. For serious acts of negligence, misconduct, disregard of regulations or instructions, or any other act referred to in the applicable labor law, an employee may be dismissed without notice or compensation, except for hours worked up to the date of termination.

HEALTH INSURANCE

Although there are no legal requirements for insuring employees in the Palestinian areas, most employers do provide some sort of minimal health insurance. This is often dictated by labor agreements and industry practices.

WORKMAN'S COMPENSATION

Employers are personally liable to pay for the work related injuries of their workers. In most cases employers buy workman's compensation insurance which covers medical and rehabilitation expenses for employees in cases of injury while on duty. Most policies also pay for the employee's salary in cases of partial or total disability. The duration of payments is determined by the terms of each insurance policy. In cases where there is no insurance policy in effect, arbitration is used to determine the liability of the employer.

ANNUAL LEAVE

Employers are required to provide a minimum number of days of annual leave for their full-time employees. The legal minimum requirement is 21 working days for those employees with over one year of employment with the organization.

Annual leave can only be accumulated from one year to the next, it does not need to be carried over in perpetuity. However, if an employee's job is terminated and he/she has some unused annual leave, the employer is required to monetize this leave at the employee's last base salary.

HOLIDAYS

Employers are required to provide a total of 14 holidays per year. These include religious, national and social holidays. Many dates are set only as the holiday approaches since they are determined on the moon, whereas other holidays are on set dates. The main "official" holidays are

- New Year -- January 1
- Al Adha -- 4 days (dates to be determined)
- Al Fiter -- 3 days (date to be determined)
- Easter (date to be determined)
- Isra' Wal Mi'raj (date to be determined)
- Islamic New Year (date to be determined)
- Prophet's Birthday (date to be determined)
- Independence Day -- November 15
- Christmas -- December 25

SICK LEAVE

Full-time employees with up to one year of cumulative service with the same organization are permitted to take up to 14 paid days of sick leave per year, but they must present an acceptable medical certificate to the employer in order to be reimbursed for such leave. A full-time employee who has worked for more than one year for the same organization is entitled to take up to three months of sick leave per year if necessary. If the illness extends beyond 3 months then the employee is entitled to receive 1/2 the regular salary until he/she returns to work.

MATERNITY LEAVE

A female employee, who has worked at least one year for an organization, is entitled to maternity leave of 8 weeks at the time of her delivery, this leave is with full pay and benefits. Employees with less than one year of service are also permitted to take maternity leave of up to 8 weeks, but she is entitled to only one-half pay for the time taken.

Female employees are entitled to take a total of only two maternity leaves during their time of service with the same organization.

COMPASSIONATE LEAVE

In the event of the death of an employee's mother, father, brother, sister, spouse or child, the employee is allowed to take three working days leave with pay. This leave is not to be charged to annual leave.

LEAVE WITHOUT PAY

A full-time employee is entitled to take up to 30 days of leave without pay every year with prior notification. An employee who has worked for more than 3 years is entitled to take up to one year of leave without pay. Time taken as leave without pay is not considered as actual time worked when calculating years of service for annual leave and termination pay.

PROBATIONARY PERIOD

All employees are subject to a three-month probationary period. During this probationary period, an employee may be dismissed or may terminate at any time without notice, explanation or compensation other than for hours worked. Upon satisfactory completion of the probationary period, the employee will be formally appointed. If no formal appointment letter is issued to the employee, then he/she is formally appointed by default.

TAXES

Every employer is required to deduct income tax from employees' salaries. (See Chapter 6 for more details on taxes and taxation.)

ARBITRATION

Labor disputes related to compensation are usually resolved by arbitration through the Labor Federation. In such cases where arbitration cannot be resolved by the Labor Federation, then the labor courts are responsible for resolving the matters.

COMMON PRACTICE

It has become common practice, especially in the West Bank, for big employers to enter into collective wage agreements with its employees. These agreements generally guarantee minimum rights for employees and workers primarily in the areas of wages, health insurance, transportation, and termination pay.

B LABOR PRACTICES IN EAST JERUSALEM

For workers in East Jerusalem, the governing Israeli labor laws entitle the worker to benefits which employers are required to provide their employees. These laws are a combination of Israeli Labor Laws and National Insurance Laws (Social Security).

WORK HOURS

The standard work hours are 8 hours per day and 40 hours per week.

OVERTIME PAY

Employers are required to pay for time worked in excess of 8 hours per day or 40 hours per week. Overtime pay is calculated at 150% (1.5 times) the employee's base salary.

NATIONAL INSURANCE (SOCIAL SECURITY) AND HEALTH INSURANCE

According to the new Health Insurance Law which became effective 1 January 1995, all Israeli and Jerusalem residents became automatically entitled to receive full medical services (whereas before the passage of this law only members of Health Funds received full medical services under certain terms). The new law requires that Health Insurance fees be combined with National Insurance payments, and these are deducted on a monthly basis from the worker's gross salary according to the following schedule:

- For monthly income **up to** NIS 2,089, the National Insurance and Health Insurance combined rate is 9.7 percent
- For monthly income **over** NIS 2,089, the National Insurance and Health Insurance combined rate is 16.58 percent

The combined rates are shared by employers and employees according to a ratio set by the National Insurance Institute and they are modified periodically to reflect changes in the cost of living.

TRANSPORTATION

The employer must provide free transportation for his employees. If this is not done, then he must provide a transportation allowance. This allowance is currently around NIS 10 per day. The amount is fixed by National Insurance Institute and is periodically adjusted to reflect changes in cost of living.

TERMINATION PAY

Full-time employees who have worked for at least one year are entitled to receive a termination or severance pay at the end of their service, regardless of whether they are terminated voluntarily or for cause. This payment is calculated by taking their most recent monthly salary and multiplying it by the number of years of service with the organization (partial years are pro-rated). This applies to both private and public organizations.

ANNUAL LEAVE

Employers are required to provide a minimum number of days of annual leave for their full-time employees. The legal minimum is

- The first six years of employment 18 working days
- The seventh year of employment 21 working days
- The eighth year and beyond 1 additional working day per year up to a maximum of 28 days total

Annual leave can only be accumulated from one year to the next, it does not need to be carried over in perpetuity.

SICK LEAVE

Full-time employees are permitted to take up to 90 paid days of sick leave per year, but they must present an acceptable medical certificate to the employer in order to be reimbursed for such leave.

MATERNITY LEAVE

A female employee is entitled to maternity leave of 12 weeks at the time of her delivery, this leave is with full pay and benefits. Maternity leave must be requested at least one month in advance of the anticipated day of delivery and should be scheduled so that not less than six weeks of the maternity leave occurs after the estimated date of delivery.

COMPASSION LEAVE

In the event of the death of an employee's mother, father, brother, sister, spouse or child, the employee is allowed to take three working days leave with pay. This leave is not to be charged to annual leave.

TAXABLE INCOME

By law every employer is required to open a tax file for each employee and deduct income taxes from employees on a monthly basis and then transfer these deductions to the tax authority. The deductions are based on the gross monthly salary and according to a deductions table issued by tax authority. The deductions schedules are periodically updated to reflect changes in the cost of living.

MINIMUM WAGE LAW

The current minimum wage is NIS 1,750 per month. This is revised periodically to reflect changes in the cost of living.

LABOR COURT

All cases involving issues regarding workers' rights which cannot be resolved by the worker and employer or by the National Insurance Institute are resolved in the Labor Court

HISTADRUT LABOR UNION MEMBERS' OTHER PRIVILEGES

The Histadrut enters into collective bargaining agreements on behalf of its members with employers in the private sector, whereby workers have additional rights and privileges including, but not limited to food allowances, clothes allowances, and contributions to provident funds (pension schemes)

CHAPTER I I

EXPORT - IMPORT PROCEDURES

Palestinian entrepreneurs are beginning to rebuild their foreign markets. Goods exported from and imported to the Palestinian Territories pass through Israel and therefore have to comply with Israeli Customs laws and procedures. The West Bank and Gaza Strip do not yet have control over international entry-exit ports of trade. An airport and a seaport planned for construction in Gaza Strip are scheduled to begin business sometime in 1998. Under the terms of Oslo 2, the Palestinian Customs Authority is beginning to administer the movement of goods at the overland crossings with Egypt and Jordan. All trade is subject to the agreements with those countries and with Israel which provide for Israeli border control and supervision of quotas.

Regular and competitive direct export is an aspiration of Palestinian businesses. The Ministry of Economy, Trade and Industry has given priority to export development and promotion. Jointly, leading businesses and the Ministry are in the process of establishing the Palestinian Trade Development Center.

A- STATUS OF EXPORT-IMPORT TRANSACTIONS

Most Palestinian companies expedite their export-import transactions by using Israeli intermediaries. Palestinian companies report that security holds and freight forwarding are usually on schedule when an Israeli exporter and customs agent are handling the clearance and booking cargo space on air or sea carriers. By this process, the Israeli company receives the goods from West Bank or Gaza Strip and serves as the exporter of record for the Palestinian company. Similarly for imports, the goods are imported by the Israeli company on behalf of the Palestinian company, then shipped to the Palestinian Territories.

At the Israeli air and sea ports this is likely to remain the most effective procedure. Export-import trade overland through Jordan or Egypt remains limited in the types of goods that can pass, and they are subject to quotas and long delays. This is likely to continue at least during the interim period until the bilateral trade agreements are fully operational, international border protocols are in place, and Palestinian customs agents and freight forwarders are licensed and operational.

Handling export-import transactions through an Israeli agent can add unnecessary cost to the transaction and diminish PNA revenues. Travel restrictions for Palestinians prevent an exporter from going to a port facility if necessary to oversee

an operation, or to assure the handling and timing of a shipment after it leaves the Palestinian territories, or for an importer to go to the port and inspect the condition of a shipment on arrival. This means that operationally the Palestinian company does not control the process and cannot make assurances to the external trading partner, nor does the Palestinian company get the experience and logistical knowledge to be gained from having direct access to foreign markets.

Some Palestinian companies now engage in exporting goods directly in that they are not using an Israeli export company. Still they must use Israeli companies to effect many of the operations involved, including trucking companies, customs agents, freight forwarders, and shipping companies. Nevertheless, most export-import transactions around the world are handled by multiple, experienced, third party agents located geographically at each point on the international itinerary of the goods. These third parties make the transaction happen, acting as agents on behalf of the buyer and the seller.

In the final analysis, the practical concerns of getting a shipment delivered are the bottom line in selecting third party service providers, because what matters most is getting the job done right and on time.

B OPTIONS FOR EXPORTING

Four ways to accomplish an export transaction can be identified in order of increasing difficulty, risk and liability as follows:

- **Filling orders** This entails selling to a domestic buyer who exports the goods. has access to - and knowledge of - the foreign market buyers and their sales and distribution networks.¹⁰ In the Palestinian Territories this often takes the form of production subcontracting. A beneficial impact of this arrangement is that it helps develop local capabilities for export quality and volume. The main disadvantage is that it keeps producers out of direct contact with buyers, third party service providers, packaging requirements, current market demands, and design trends.
- **Finding a representative** This involves a manufacturer actively searching for a purchasing representative in target foreign country (or a distributor or a related business in the target country). Such contacts are often made at trade shows and on business trips, or through the commercial sections of foreign embassies.

¹⁰ *Piggyback marketing* is a term sometimes used to describe relationships where a manufacturer sells to or teams up with a distributor who has a contract with a buyer in another country. If the manufacturer has a high level of risk and control the arrangement could be a form of Indirect Exporting or shared freight to the same destination. If he has a low level of risk and control the arrangement could be a form of Order Filling.

- **Indirect exporting** This is selling to a foreign buyer through a domestic agent (export trader, export management company, export trading company, or export trade consultant) who has knowledge of or specialized access to a target market-
- **Direct exporting** This requires selling directly to a foreign importer or other type of buyer or distributor in a foreign country In this strategy for accessing a foreign market, the exporter selects the market, the distribution strategy, and the importer or buyer/distributor

The expectation of profit and the risk of loss are generally greatest in a direct export transaction The PNA is presently analyzing export incentives and programs to reduce export risk Regardless of the public sector's efforts to facilitate trade, ultimately it is the entrepreneurs who can best protect themselves by being well-informed and creative, cautious and aggressive

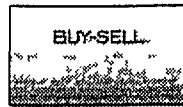
C THE EXPORT-IMPORT CHAIN

The objective of this section is to establish a common terminology applicable to all forms of conveyance - sea, land or air The export-import process is presented as an eight-step chain The process begins when the manufacturer who has goods to sell, and the importer who has the financial capability to buy, reach a sales or distribution agreement In order for the goods to move along the chain from the factory in the exporting country to the buyer in the importing country, the shipment must clear all the hurdles to go through these eight steps The process is graphically represented in the figure entitled "Export-Import Chain" on the next page

One person's export is another person's import A Palestinian *exporter* can interpret the chain as depicting the process by which the factory makes the sale of its product, has the goods delivered to the buyer or distributor, and gets paid A Palestinian *importer* can interpret the chain as the mirror image process by which the foreign manufacturer of the product is located and paid, and the product is delivered

The following is a narrative description of the eight-step process This model uses the case of a purchase and sale transaction between an exporting manufacturer and an importing buyer/distributor The previous section explained there is frequently an additional export-import company in the transaction It was also explained that the exporter and the manufacturer may be a separate companies, just as the importer and buyer may be separate companies The steps in this process are

EXPORT-IMPORT CHAIN



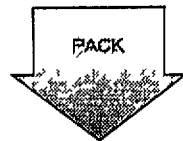
SALES OR DISTRIBUTION AGREEMENT

TRANSACTION AGREEMENT MADE BETWEEN EXPORTER/PRODUCER AND IMPORTER/BUYER WITH SPECIFICATIONS OF GOODS AND ARRANGEMENTS FOR PAYMENT



PRODUCTION FOR EXPORT

EXPORTER/PRODUCER MANUFACTURES GOODS OR PROCURES THEM PER BUYER SPECIFICATIONS



PACK FOR INTERNATIONAL TRANSPORT

EXPORTER/PRODUCER AND/OR EXPORT CUSTOMS AGENT FREIGHT FORWARDER PACK GOODS FOR INTERNATIONAL SHIPPING



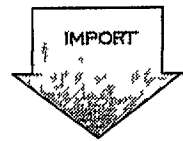
EXPORT CLEARANCE

CUSTOMS AGENT FREIGHT FORWARDER COMPLETE EXPORT DOCUMENTS AND INSPECTIONS ARRANGEMENTS FOR COMPLIANCE WITH EXPORT REQUIREMENTS



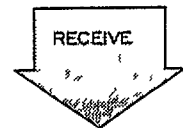
INTERNATIONAL TRANSPORT

FREIGHT CARRIER TRANSPORTS GOODS FROM PORT OF EXIT IN EXPORTING COUNTRY TO PORT OF ENTRY IN IMPORTING COUNTRY



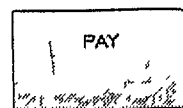
IMPORT CLEARANCE

IMPORTER/BUYER AND IMPORT CUSTOMS AGENT FREIGHT FORWARDER MOVE GOODS THROUGH IMPORT INSPECTIONS AND CLEARANCE FOR ENTRY TO IMPORTING COUNTRY



RECEIVING FOR PURCHASE

IMPORTER/BUYER CONCLUDES RECEIVING PROCEDURES OF GOODS FOR PURCHASE AND USE OR RESALE THROUGH INTERNAL DISTRIBUTION CHANNELS



FINAL PAYMENT

UPON COMPLIANCE WITH ALL TERMS OF ORIGINAL PURCHASE AND SALE AGREEMENT AND PAYMENT CONDITIONS FINAL PAYMENT IS RELEASED TO EXPORTER/PRODUCER

- ***Sales or Distribution Agreement.*** This agreement may be as extensive as a lengthy written sales contract or distributor agreement covering multiple shipments, or it may be as minimal as a purchase order for a single shipment (see Appendix E, "About Distributor Agreements") What is needed depends on the needs of the buyer, the history of the parties doing business together, the type of product, and the complexity of product specifications, shipping procedures and arrangements for payment (see Appendix E, "Factors to Consider When Choosing a Foreign Representative")

The costs and risks are generally so great that many manufacturers will not begin to prepare the shipment until receiving confirmation that an irrevocable Letter of Credit (L/C) has been issued This means payment will be available as soon as the shipment is delivered and all terms and conditions are fulfilled An L/C is probably the most restrictive method of payment, and an increasing number of businesses are using other methods

- ***Produce for Export*** After the manufacturer receives confirmation that the buyer has complied with the agreed upon procedures for payment, production can be completed to the agreed upon specifications Exporters need to be sure about the details of wholesale and retail packaging and labeling requirements
- ***Pack for International Transport*** The requirement for international shipping includes loading and packing the correctly prepared lot of goods into a suitable international shipping container provided by the shipping company It may be possible for the manufacturer to do this at the factory, or the freight forwarder may have to do it at the port facility
- ***Export Clearance*** The shipment is subject to inspection and documentation procedures required by the exporting country, including the shipping company, port authority, Customs Authority, and any other agency required to approve the shipment This includes a review of all documents to verify compliance with export requirements of the country of origin, ports of transit, and country of destination
- ***International Transport*** Before receiving goods for international transport, an international shipping company will do its own review of shipping documents After receiving the goods it is the transportation company which is subject to liability for loss or damage due to mishandling or negligence, and possible non-collection of the cost of freight The terms and conditions of coverage by freight insurance may effect the way certain operations must be specified and performed for the coverage to be valid

- **Import Clearance** The shipment is subject to inspection in the importing country by all agencies with jurisdiction over some aspect of the goods before they are allowed in. International ports of entry as a rule have facilities at or adjacent to the port for the quarantine and inspection of shipments to verify compliance regarding legality, quantity, packaging, labelling, condition, toxicity, hygiene, and authenticity of the commercial transaction.
- **Receiving for Purchase** After clearance for entry the importer or agent takes delivery of the goods for purchase and use or resale. After this step the importer will be liable for the product, fees and taxes, notwithstanding the obligations of the exporter or manufacturer under the terms of the sales agreement.
- **Final Payment** After the shipment is verified to be in compliance with all the terms and conditions of the sales agreement regarding payment, the financial intermediary -- typically a bank in the country of origin -- can release payment to the manufacturer. Prepaid transactions occur, but most transactions require some type of confirmation of compliance with all terms and conditions regarding product and packaging specifications prior to release of final payment.

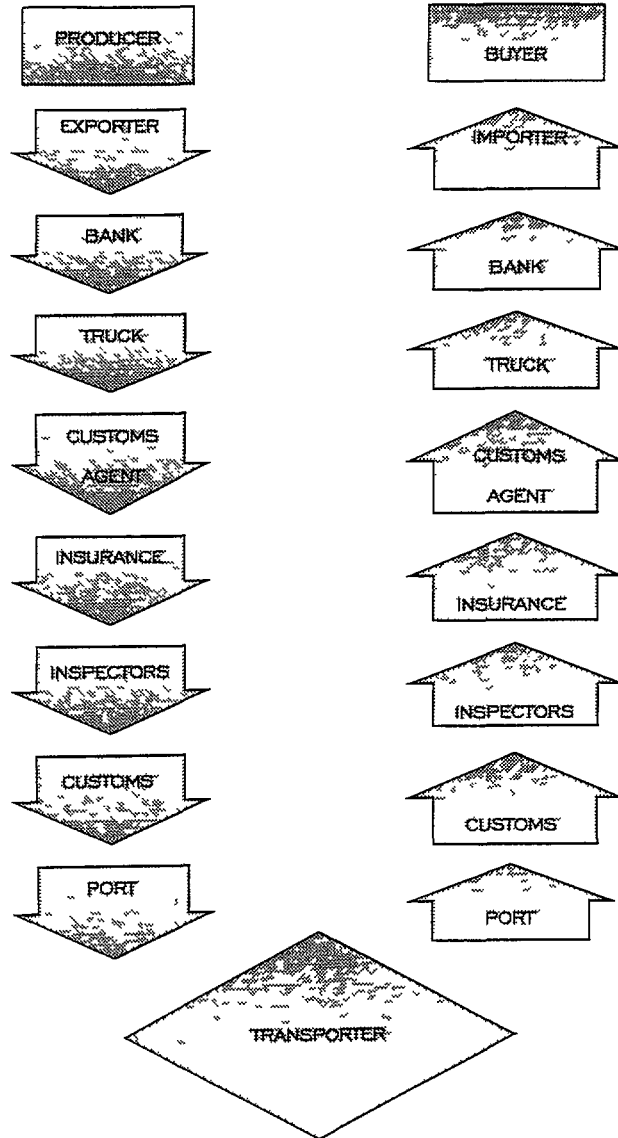
D PRINCIPAL EXPORT-IMPORT PARTIES

This section defines the role of the principal parties involved in the export-import process, starting with the manufacturer of the goods for export. It is based on conveyance by sea or air.

The parties involved in the import process in the country of destination generally repeat the parties involved in the export process in reverse order with variations by country, by port, and by means of transport. This list of ten principal parties is defined in the narrative description that follows, and they are graphically represented in the figure on the next page.

- **Producer** This is the manufacturer in the exporting country. A Palestinian importer may be dealing with a foreign producer who is a manufacturer, or with an authorized agent or distributor of the manufacturer of the goods. The key in working with a company's agent is whether or not the person can obligate the company.
- **Exporter** This is the trading company which is the exporter from the country of origin. A Palestinian exporter may have other parties involved in the transaction, such as a merchant, a dealer, or an Israeli exporter of record.

PRINCIPAL EXPORT-IMPORT PARTIES



- **Correspondent Bank** This is the financial institution located in the country of origin which is involved on behalf of the exporter, and which can do business with the buyer/importer's bank in the country of destination
- **Trucking Company** This refers to one or more overland (or "inland") freight companies in the country of origin. It may receive the goods from the factory or from the manufacturer's truck. Ordinarily a number of trucking companies are involved at different points in the itinerary of the goods, for example locally this could start with a Gaza truck going from a Gaza manufacturer to Erez on the border with Israel, then an Israeli truck from Erez to Ashdod's seaport
- **Customs Agent-Freight Forwarder** Sometimes called a *clearance agent*, this is a private sector company (not to be confused with the government's Customs Authority). The customs agent performs the functions of shepherding the shipment through the export clearance process, and assembling all the documents to evidence clearance, including payment of export duty if any. Most customs agents also provide freight forwarding services. This involves getting the goods transported between each of the agencies and inspectors until export clearance has been completed and the shipment can be received by the international transportation company (see Appendix E "Dealing with Customs Brokers"). A list of the registered Israeli customs agents can be found in Appendix A
- **Insurance Company** Freight insurance is usually required for international shipments and as a condition of payment. In most cases, a customs agent will have a working relationship with an insurance company
- **Port Authority** This is the entity that operates a seaport which controls loading, departures and arrivals of vessels. The Authority may own and operate storage facilities which an export-import company will need to use
- **Customs Authority** This is the governmental agency which controls exports and imports to insure compliance with laws and regulations, particularly assessment and collection of duty and enforcement of quotas
- **Inspectors** This refers to a variety of people knowledgeable about particular products and/or transport requirements. A governmental inspector enforces regulations of the respective governmental agency. A third party inspector is usually an expert ("referee" or "surveyor") who inspects a shipment to resolve or substantiate a claim
- **International Transportation Company** This is the air or sea freight company which transports the goods from one port to another. In some parts

of the world, international freight moves across multiple international borders by overland trucking companies. For Palestinian trade this is not allowed, trucks must be off-loaded at the border until clearance is completed and a truck from the other side can take it.

- **Importer** This is the trading company which is the importer in the country of destination. In the case of a Palestinian import transaction, there may be an Israeli importer of record. The importer may be the same business entity as the buyer or end user.
- **Buyer/Distributor** This may be a purchasing end user, a purchasing merchant or distributor, or an authorized distributor.

An important detail in the relationship between parties in the export-import chain involves the formal receiving process. As a shipment is transferred from one place to another, a receiving tag (or "dock tag") should be issued. A receiving tag is the document to evidence a transfer of goods that have been received in the condition they are supposed to be.

When the cargo changes hands, title or ownership of the goods is in process of changing as well, and the receiver has to confirm that the goods are in order and the documents complete. The liability of a transportation and/or storage company is a serious financial and legal obligation. If a handler damaged the goods, and the next party in the chain takes delivery without noting the damage, then the party that did the damage may have succeeded in passing the responsibility and loss to the next party. In the case of such an error, an insurance company may be released from its obligation to pay an otherwise legitimate claim.

E TERMS OF SALE

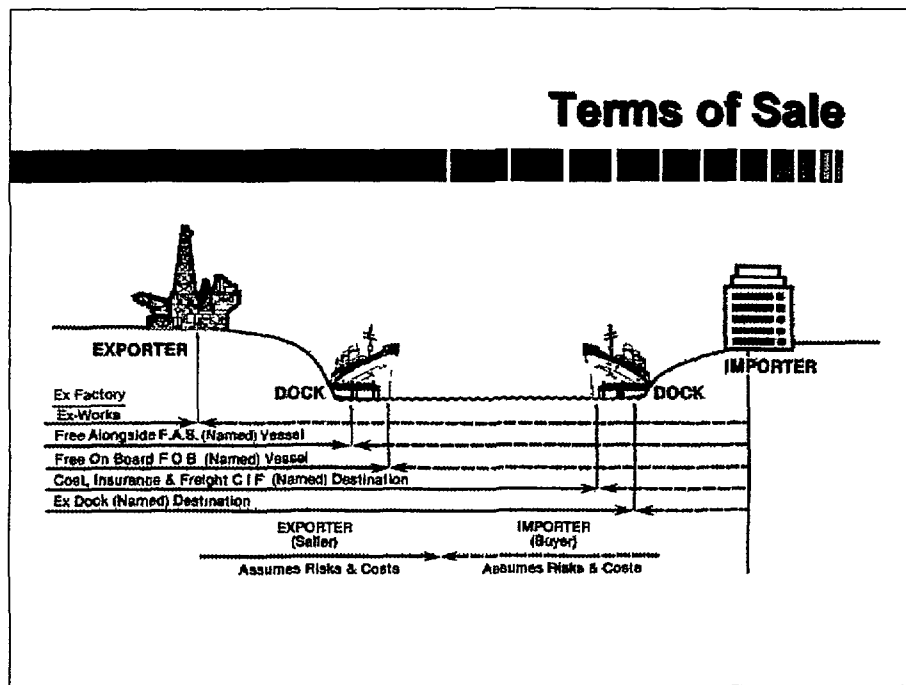
The price of a shipment of goods can vary greatly depending on the terms of sale quoted by the manufacturer. The cost of international transportation is the main expense item to be included or excluded according to the optional or alternative terms of sale. Thus, the location reference will normally be either the port of embarkation in the country of origin or the port of disembarkation in the country of destination. Also specified by the terms of sale is whether the seller or the buyer pays for insurance and loading. The abbreviations and their components with their most common usage are summarized in the table entitled "Terms of Sale".

TERMS OF SALE

TERM	FULL NAME	LOCATION	COST ITEMS	CONVEYANCE
CIF	COST INSURANCE & FREIGHT	DESTINATION	COST OF GOODS INTERNATIONAL FREIGHT LOADING EXPORT & INSURANCE	SEA
CIP	CARRIAGE & INSURANCE PAID TO DESTINATION (E G NEW YORK)	DESTINATION	(LIKE CIF) COST OF GOODS INTERNATIONAL FREIGHT LOADING EXPORT & INSURANCE	AIR LAND
CFR	COST AND FREIGHT	DESTINATION	COST OF GOODS INTERNATIONAL FREIGHT LOADING & EXPORT	SEA
CPT	CARRIAGE PAID TO DESTINATION (E G NEW YORK)	DESTINATION	(LIKE CFR) COST OF GOODS INTERNATIONAL FREIGHT LOADING & EXPORT	AIR LAND
EXW	EX WORKS (E G EX FACTORY EX WAREHOUSE)	ORIGIN	COST OF GOODS	NONE INCLUDED
FAS	FREE ALONGSIDE SHIP	ORIGIN	COST OF GOODS INLAND FREIGHT UNLOADING & WHARFAGE	SEA
FCA	FREE CARRIER	ORIGIN	COST OF GOODS INLAND FREIGHT UNLOADING & LOADING	SEA
FOB	FREE ON BOARD	ORIGIN	COST OF GOODS INLAND FREIGHT UNLOADING & LOADING	SEA

Perhaps the most common term of sale used in this region is CIF. A foreign manufacturer who quotes a Palestinian importer a manufacturer's price "*CIF Ashdod*" would cover the cost of goods sold, freight insurance, inland freight, export fees, loading, and shipping up to the point of unloading. The Palestinian buyer then would have to pay the cost of unloading, import fees, duty, taxes, port fees and clearance, plus overland freight to the buyer's loading dock (for information on tariffs and duty rates, see Section H below).

In addition to the tabulated definitions, frequently used terms are shown graphically below. This shows some of the alternatives in the context of sea freight. Modern business is evolving ever-more precise terms and adaptations for different means of conveyance, but the traditional terms of longstanding - CIF and FOB - are commonplace and universally understood.



F EXPORT PROCEDURES FROM THE PALESTINIAN TERRITORIES

This section presents the operational procedures between the Palestinian exporter and a foreign importer. The process described here focuses on shipping logistics because preparation and tracking of the shipment is the exporter's primary function in the transaction. This is in contrast to the importer's primary function in the transaction which concerns payment (see Section G).

Export-import transactions have been described as a "documents-intensive" operation, meaning that a great deal of paperwork is required. Many of the forms and documents discussed below appear in Appendix E, as noted by an asterisk ("*") in the text.

This description of the procedures uses the case where the means of transportation is by sea. The reason for this is that sea freight is the least expensive in most cases but it makes the time factor an added transactional risk. Transport by air assumes that both the exporter and the importer have reasonably secure access to an airport and air freight carrier, and it assumes the willingness of one party to pay the added cost of air freight. Generally speaking, the added cost of air freight reduces the risk of non-performance due to delays in shipping when the price and weight and/or volume of the shipment makes air freight feasible.

A caveat to this chronology of operational procedure is that the specific order of steps will depend on such variables as the type of goods, means of conveyance, port logistics arrangements for payment, and the degree of facilitation at the border by the Customs Authority.

STEPS IN THE EXPORT PROCESS

- 1 * THE EXPORTER SUBMITS AN APPLICATION FOR AN EXPORT LICENSE ISSUED BY THE MINISTRY OF ECONOMY, TRADE AND INDUSTRY, WHICH IS AVAILABLE FROM CHAMBERS OF COMMERCE. IN THE AUTONOMOUS PALESTINIAN AREAS, THE LICENSE IS UNDER THE AUSPICES OF THE PALESTINIAN NATIONAL AUTHORITY. IN OTHER AREAS OF THE WEST BANK, LICENSES ARE STILL UNDER THE AUSPICES OF THE ISRAELI CIVIL ADMINISTRATION. THE CONTENT OF THE FORMS IS SUBSTANTIALLY THE SAME FROM BOTH AUTHORITIES. UPON APPROVAL, THE APPLICATION IS STAMPED, SIGNED, AND BECOMES THE EXPORT LICENSE. EACH SHIPMENT MUST BE REGISTERED ON AN "EXPORT DELIVERY" FORM BY THE CUSTOMS AGENT.

- 2 THE EXPORTER AND FOREIGN IMPORTER NEGOTIATE A SALES OR DISTRIBUTOR AGREEMENT. IN THE SIMPLEST TERMS, THE AGREEMENT CAN BE AN INVOICE FOR AN ORDER DELIVERABLE IN A SINGLE SHIPMENT OF GOODS. AT THE OTHER EXTREME, THE SALES AGREEMENT MAY BE AN EXTENSIVE WRITTEN CONTRACT COVERING MULTIPLE SHIPMENTS OVER A PERIOD OF TIME, COMMONLY ONE YEAR. THE CONFIRMATION OF QUALITY SPECIFICATIONS IS NORMALLY DONE THE FIRST TIME A PRODUCT IS SHIPPED ON THE BASIS OF AN INDIVIDUAL PRODUCT SAMPLE OR PROTOTYPE SHIPPED BY EXPRESS CARRIER. THIS IS NECESSARY UNTIL THE PARTIES HAVE A LEVEL OF MUTUAL TRUST AND ADEQUATE DIRECT COMMUNICATION.
- 3 EXPORTER AND IMPORTER CONFIRM PRODUCT AVAILABILITY (OR DATE OF COMPLETED PRODUCTION AND AVAILABILITY OF PRODUCT FOR SHIPPING), QUANTITY OF GOODS ORDERED, PRODUCT AND PACKING SPECIFICATIONS, AND EXPECTED SHIPPING SCHEDULE.
- 4 EXPORTER PRODUCES AND PACKS THE GOODS TO BE EXPORTED.
- 5 * EXPORTER CONTACTS THE CHAMBER OF COMMERCE OR OFFICE OF THE MINISTRY OF ECONOMY, TRADE AND INDUSTRY TO OBTAIN A CERTIFICATE OF ORIGIN FOR THE GOODS. THIS IS THE EXPORTER'S DECLARATION, WITH OFFICIAL PALESTINIAN CERTIFICATION, THAT THE GOODS TO BE EXPORTED ORIGINATED AND WERE PRODUCED IN PALESTINIAN TERRITORY UNDER THE PNA'S JURISDICTION. TO BE ELIGIBLE FOR CERTIFICATION AS HAVING PALESTINIAN ORIGIN, AT LEAST 35 PERCENT OF A PRODUCT'S VALUE MUST BE DERIVED FROM PALESTINIAN INPUT (E.G., LABOR OR MATERIALS).
- 6 * EXPORTER ISSUES A PRO FORMA INVOICE FOR THE SHIPMENT. THIS SHOULD BE ON THE EXPORTER/PRODUCER'S OFFICIAL LETTERHEAD AND IDENTIFY THE IMPORTER/BUYER AND CUSTOMS AGENT. IT SHOULD ALSO DESCRIBE THE GOODS, THE QUANTITY AND WEIGHT OF THE SHIPMENT, AND THE VALUE OF THE GOODS TO BE SHIPPED. FOR FINISHED MANUFACTURED PRODUCTS, THE PRO FORMA INVOICE MAY BE SUFFICIENT TO CONCLUDE THE TRANSACTION.
- 7 * A COMMERCIAL INVOICE WILL BE NEEDED IF THE PRO FORMA INVOICE CANNOT PROVIDE ALL OF THE DETAILS OF THE FINAL SHIPMENT (I.E., DUE TO VOLUME, QUALITY OR PRICE VARIABLES WHICH CANNOT BE SPECIFIED UNTIL THE TIME OF SHIPMENT). A COMMERCIAL INVOICE IS THEREFORE ORDINARILY NOT AVAILABLE UNTIL AFTER THE GOODS ARE PACKED AND READY FOR SHIPPING, OR IN SOME CASES UNTIL THEY HAVE BEEN LOADED ON THE INTERNATIONAL VESSEL.
- 8 A CONSULAR INVOICE IS SOMETIMES REQUIRED AS WELL. THIS IS A REGISTRATION OF THE INVOICE USED FOR THE TRANSACTION BETWEEN THE BUYER AND THE SELLER BY THE CONSULATE OF THE COUNTRY OF DESTINATION LOCATED IN THE COUNTRY OF ORIGIN.

- 9 * THE EXPORTER/PRODUCER MUST ISSUE A PACKING LIST FOR THE GOODS TO BE EXPORTED. THIS SHOULD BE ON THE EXPORTER'S LETTERHEAD. IDENTIFY THE IMPORTER AND OR CUSTOMS AGENT AS WELL AS DESCRIBE THE GOODS. THE QUANTITY AND WEIGHT OF THE SHIPMENT. IT IS EXTREMELY IMPORTANT THAT THE PACKING LIST BE ACCURATE IN STATING THE NUMBER OF PALLETS, BOXES, THE CONTENTS IN EACH BOX, AND THE PRODUCT TYPE, GRADE AND SPECIFICATIONS. ANY MISTAKE OR VARIANCE IN THESE DETAILS BETWEEN THE DOCUMENTS AND THE ACTUAL SHIPMENT AS LOADED IN THE SHIPPING CONTAINER OR BETWEEN ANY OF THE SHIPPING DOCUMENTS COULD LEAD TO A REJECTION OF THE SHIPMENT, FINES OR NONPAYMENT (E.G. THE BANK NOT RELEASING PAYMENT PURSUANT TO A LETTER OF CREDIT DUE TO FAILURE TO STATE CORRECTLY THE SIZE AND NUMBER OF PACKAGES AS INDICATED IN THE L/C).
- 10 EXPORTER OR PALESTINIAN TRUCKING COMPANY TRANSPORTS GOODS TO THE TRANSFER POINT FOR OFF LOADING TO THE ISRAELI TRUCKING COMPANY FOR OVERLAND TRANSPORTATION IN ISRAEL TO THE INTERNATIONAL PORT. THIS INLAND TRANSIT MAY BE CONTRACTED BY THE EXPORTER'S CUSTOMS AGENT FREIGHT FORWARDER.
- 11 * TRUCKING COMPANY DELIVERS GOODS TO THE PORT OF EMBARKATION WHERE A DOCK RECEIPT IS ISSUED. THERE (OR AT AN INTERMEDIATE LOCATION EN ROUTE TO THE PORT) THE SECURITY INSPECTION WILL BE CONDUCTED BY ISRAELI INSPECTORS. THE PROCEDURE IS ENTIRELY CLOSED TO UNAUTHORIZED PERSONNEL WHICH INCLUDES PALESTINIANS.
- 12 * THE CUSTOMS AGENT RECEIVES THE GOODS ON BEHALF OF THE EXPORTER FOR TRANSFER TO THE INTERNATIONAL CARRIER AFTER FINAL CONFIRMATION THAT ALL SHIPPING AND EXPORT DOCUMENTATION IS IN ORDER AND BEGINS THE PROCESS OF EXPORT CUSTOMS CLEARANCE. THIS INCLUDES ARRANGING FOR ANY GOVERNMENTAL OR THIRD PARTY INSPECTIONS AND PAYMENT OF ALL EXPORT FEES, DUTY, TARIFFS AND HANDLING CHARGES AS NEEDED TO FOR CUSTOMS CLEARANCE. ONE OR MORE INSPECTION CERTIFICATES MAY BE ISSUED.
- 13 PRIOR TO SHIPPING THE EXPORTER/PRODUCER WILL BE REQUIRED TO INSURE THE GOODS WHILE IN TRANSIT. AN INSURANCE CERTIFICATE BY A *BONA FIDE* INTERNATIONAL FREIGHT INSURANCE COMPANY IS NORMALLY A CONDITION OF PAYMENT.
- 14 * THE CUSTOMS AGENT CONFIRMS CARGO SPACE ON THE INTERNATIONAL CARRIER AND ISSUES A SHIPPING MANIFEST CALLED AN AIRWAY BILL FOR GOODS SHIPPED BY AIR OR ALTERNATIVELY A BILL OF LADING FOR GOODS SHIPPED OVERLAND OR BY SEA AND FAXES A COPY ALONG WITH THE REMAINING DOCUMENTATION TO THE IMPORTER OR THE IMPORTER'S CUSTOMS AGENT. THIS IMPORTANT DOCUMENT IS THE CONTRACT BETWEEN THE FREIGHT COMPANY AND THE EXPORTER/PRODUCER.

- 15 THE CUSTOMS AGENT AND/OR TRANSPORTATION COMPANY LOADS THE SHIPPING CONTAINER IF IT WAS NOT ALREADY DONE AT THE FACTORY
- 16 THE EXPORTER'S CUSTOMS AGENT ARRANGES FOR SHIPPING CONTAINER'S TRANSFER TO THE INTERNATIONAL CARRIER AND NOTIFIES IMPORTER (OR IMPORTER'S CUSTOMS AGENT) OF TRANSFER AND PENDING DEPARTURE OF THE CARRIER
- 17 THE INTERNATIONAL CARRIER VESSEL DEPARTS TRAVELS AND ARRIVES AT THE PORT OF DISEMBARKATION
- 18 THE TRANSPORTER OR IMPORTER'S CUSTOMS AGENT GIVES IMPORTER NOTICE OF VESSEL'S ARRIVAL THIS MAY BE AS FORMAL AS A WRITTEN NOTICE OR AS INFORMAL AS A TELEPHONE CALL DEPENDING ON LOCAL ESTABLISHED PROCEDURES AND THE STANDARD OPERATING PROCEDURES OF THE PARTIES THE IMPORTER'S CUSTOMS AGENT MAY MAKE A PRELIMINARY REPORT ON ANY PROBLEMS DETECTABLE PRIOR TO A DETAILED OR OFFICIAL INSPECTION OF THE GOODS IF NO PROBLEMS ARE DETECTED WHICH MIGHT LEAD TO NON-FULFILLMENT OF THE SALES AGREEMENT THE IMPORTER'S CUSTOMS AUTHORITY BEGINS THE PROCESS OF CLEARANCE THROUGH IMPORT INSPECTIONS AND PROCEDURES
- 19 THE GOODS ARE TRANSFERRED TO IMPORTER (OR IMPORTER'S RECEIVING AGENT) WHO THOROUGHLY INSPECTS THE GOODS AND DOCUMENTS FOR COMPLIANCE WITH SPECIFICATIONS
 - ◆ IF THE GOODS COMPLY FULLY WITH THE PURCHASE ORDER SPECIFICATIONS AND THE DOCUMENTATION IS IN ORDER THE GOODS CAN BE RECEIVED WITHOUT EXCEPTION THAT IS ON AN UNQUALIFIED BASIS
 - ◆ IF THE GOODS OR THE DOCUMENTATION ARE NOT IN FULL COMPLIANCE THEY MAY BE RECEIVED ON A CONDITIONAL BASIS AND THE IMPORTER BEGINS TO REMEDY OR RESOLVE THE BASIS FOR NONCOMPLIANCE
 - ◆ IF THE GOODS OR THE DOCUMENTATION ARE NOT IN FULL COMPLIANCE AND THE CONDITION CANNOT BE REMEDIED THE IMPORTER MAY SORT OR SEGREGATE GOODS UNFIT FOR SALE OR THE IMPORTER MAY RECEIVE THE GOODS SUBJECT TO SALE OR OTHER DISPOSITION OUTSIDE THE STANDARD OR AGREED UPON CONDITIONS OF SALE IN THE WORST CASE THE IMPORTER REJECTS GOODS WHICH MAY BE SUBJECT TO RETURN TO COUNTRY OF ORIGIN ON ACCOUNT OF THE EXPORTER
- 20 THE IMPORTER/BUYER MAKES ANY INSPECTIONS REQUIRED AS A CONDITION OF SALE AND THE BUYER RECEIVES CONDITIONALLY OR UNCONDITIONALLY--THE

SHIPMENT THE IMPORTER MAY MAKE A RECEIVING REPORT TO THE EXPORTER IF THERE IS A PROBLEM WITH THE ARRIVAL THE PROCESS OF CLAIMS SURVEY AND A NEW ROUND OF INSPECTIONS MAY BEGIN

- 2.1 THE IMPORTER PREPARES REPACKS OR CONFIGURES THE GOODS FOR ONWARD OVERLAND TRANSPORTATION
- 2.2 THE INLAND TRUCKING COMPANY RECEIVES LOADS AND TRANSPORTS THE GOODS TO THE FINAL DESTINATION
- 2.3 THE IMPORTER SENDS OR ARRANGES FOR RELEASE OF FINAL PAYMENT AND PREPARES A FINAL ACCOUNTING TO EXPORTER

Additional shipping documents that may be required in a transaction but may not be prepared or issued by the exporter include the following

- **Surety** A bond posted to assure payment of customs duty
- **Shipper's Export Declaration** A form required by the U S for statistical purposes
- **Movement Certificate** A form indicating the itinerary of the goods and/or the official approval for them to travel, this can be especially important for shipments transiting through multiple international ports

The PNA has no published list of products prohibited for export, although many are subject to quotas A movement certificate may be required to transit Israel Additional documents may be required based on the type of product This affects principally two kinds of products namely hazardous materials and agricultural products

- **Hazardous products**

Palestinian private parties are restricted from bringing firearms in or out of the Palestinian Territories Finished products which could be construed to be explosive, such as manufactured gas canisters and water heaters have not been allowed by Israeli authorities to move freely out of the Palestinian Territories

■ Agricultural products

There are quotas on Palestinian export to Israel on the following six products

- Poultry
- Eggs
- Tomatoes
- Cucumbers
- Melons
- Potatoes

Additional required permits for agricultural goods are a Movement Certificate, a Phytosanitary Certificate, and a Marketing Certificate from the PNA's Ministry of Agriculture

G IMPORT PROCEDURES TO THE PALESTINIAN TERRITORIES

The following lists the operational steps in the import process to the Palestinian Territories between a Palestinian importer and a foreign exporter. The procedures focus on the details of payment by the importer to the exporter. This is in contrast to the preceding on exports where the focus is on shipping logistics. An asterisk ("*") means that a sample document can be found in Appendix E. The procedures assume transport by sea.

There are many methods of payment used in international transactions. The narrative here explains the procedure in the case of payment by Letter of Credit (L/C) because after the purchase and sale agreement has been reached, the primary responsibility of the importer in the transaction is to deposit the funds and open the L/C. The L/C is a common form of payment in international transactions because it tends to provide both parties with the maximum protection against failure to perform by the other party. It is not without risk, however, mainly due to delays in the shipping and delivery times specified, or discrepancies in the documents required, and these problems are likely to invalidate the L/C. An L/C is also costly and ties up the importer's capital.

If an importer refuses to pay by means of a L/C, this does not mean that a purchase order is not legitimate. The manufacturer may have a sound transaction using another method of payment. Alternative forms of payment include the following: cash in advance, open account, bank draft, consignment, counter trade, and barter. A matrix comparing them is included in Appendix E.

The important thing in deciding on method of payment is that the buyer should be asked to provide references. Trade references should include a contact list of at least

three regular customers, credit references should include at least the buyer's principal bank. The manufacturer or exporter can check these references directly. If the prospective buyer is not willing to provide this information, then the purchase order should not be taken seriously.

STEPS IN THE IMPORT PROCESS

- 1 * THE IMPORTER SUBMITS AN APPLICATION FOR AN IMPORT LICENSE ISSUED BY THE MINISTRY OF ECONOMY, TRADE AND INDUSTRY AVAILABLE THROUGH OFFICES OF THE CHAMBER OF COMMERCE. IN THE AUTONOMOUS PALESTINIAN AREAS, THE LICENSE IS UNDER THE AUSPICES OF THE PNA. IN OTHER AREAS OF WEST BANK, THEY ARE STILL UNDER THE AUSPICES OF THE ISRAELI CIVIL ADMINISTRATION. THE CONTENT OF THE FORMS IS SUBSTANTIALLY THE SAME FROM BOTH AUTHORITIES. UPON APPROVAL, THE APPLICATION IS STAMPED, SIGNED, AND BECOMES THE IMPORT LICENSE. EACH IMPORT SHIPMENT MUST ALSO BE AUTHORIZED BY THE MINISTRY AND IS SUBJECT TO QUOTA CONTROLS AND LABELING REQUIREMENTS. DEPENDING ON THE PRODUCT, IT MAY ALSO BE SUBJECT TO TESTING BY THE ISRAELI STANDARDS INSTITUTE.
- 2 THE IMPORTER AND FOREIGN EXPORTER NEGOTIATE THE SALES OR DISTRIBUTOR AGREEMENT. IN THE SIMPLEST TERMS, THE AGREEMENT CAN BE AN INVOICE FOR AN ORDER DELIVERABLE IN A SINGLE SHIPMENT OF GOODS. AT THE OTHER EXTREME, THE SALES AGREEMENT MAY BE AN EXTENSIVE WRITTEN CONTRACT COVERING MULTIPLE SHIPMENTS OVER A PERIOD OF TIME.
- 3 * THE EXPORTER SENDS THE IMPORTER AN INVOICE FOR THE GOODS. THE INVOICE INCLUDES A DETAILED DESCRIPTION OF THE GOODS, THE PRICE, AND THE QUALITY. THERE ARE THREE TYPES OF INVOICE THAT MAY BE INVOLVED IN A SINGLE TRANSACTION. A PRO FORMA INVOICE IS GENERALLY NECESSARY TO START THE TRANSACTION AND ARRANGE FOR PAYMENT, BUT IS COMMONLY FOLLOWED AT THE TIME OF SHIPMENT BY A COMMERCIAL INVOICE, WHICH IS THE VALID DOCUMENT FOR COLLECTION. SOME COUNTRIES ALSO REQUIRE A CONSULAR INVOICE TO BE ISSUED BY THE CONSULATE OF THE DESTINATION COUNTRY.
- 4 * THE IMPORTER TAKES THE PRO FORMA INVOICE TO A LOCAL BANK WHICH WILL PREPARE THE L/C FOR THE AMOUNT OF MONEY REQUIRED. THE LOCAL BANK IS LIKELY TO REQUIRE THE IMPORTER TO PROVIDE A PERCENTAGE (COMMONLY 25%) OF THE VALUE OF THE GOODS AS A CONDITION FOR ISSUING THE L/C. THIS PREMIUM IS REFUNDED TO THE IMPORTER AFTER FINALIZING THE IMPORT TRANSACTION.

- 5 FOLLOWING ISSUANCE OF THE L/C THE IMPORTER'S BANK INFORMS THE EXPORTER (OR THE EXPORTER'S BANK) THAT THE L/C HAS BEEN ISSUED THE BANK SENDS A LETTER OF CONFIRMATION WHICH INCLUDES THE INVOICE AND A CERTIFICATE OF ISSUANCE OF THE L/C
- 6 * THE EXPORTER (OR EXPORTER'S CUSTOMS AGENT) SENDS THE IMPORTERS BANK A COPY OF THE SHIPPING MANIFEST CALLED A BILL OF LADING (B/L) IF THE SHIPMENT IS BY SEA OR AN AIRWAY BILL IF THE SHIPMENT IS BY AIR WHEN ALL OTHER TERMS AND CONDITIONS OF THE L/C HAVE BEEN MET THE IMPORTER'S BANK NOTIFIES THE IMPORTER THAT THE DOCUMENTS ARE COMPLETE
- 7 THE IMPORTER FINALIZES THE DEPOSIT OF PAYMENT FOR THE VALUE OF THE GOODS THE BANK STAMPS THE SHIPPING DOCUMENTS AND RETURNS THEM TO THE IMPORTER WHO HAS THEM NOTARIZED
- 8 THE IMPORTER'S BANK REFUNDS THE PREMIUM TO THE IMPORTER
- 9 THE EXPORTER RECEIVES CONFIRMATION OF THE COMPLETION OF THE FOREGOING TRANSACTIONS AND PROCEEDS TO SHIP THE GOODS THE SHIPPING DOCUMENTS ARE SENT TO THE IMPORTER AND THE SHIPPING COMPANY SENDS A COPY OF THE SHIPPING MANIFEST TO THE CUSTOMS AGENT
- 10 THE IMPORTER'S CUSTOMS AGENT CONFIRMS WITH THE SHIPPING COMPANY (OR EXPORT CUSTOMS AGENT OR WITH THE EXPORTER DIRECTLY) THE SHIPPING VESSEL'S ESTIMATED ARRIVAL TIME AND NOTIFIES FOR SCHEDULING PURPOSES ALL INSPECTION AGENCIES AS REQUIRED FOR IMPORT CLEARANCE IMPORT CUSTOMS AGENT MAY NEED A PRODUCT SAMPLE OF THE GOODS AND COPIES OF ALL THE DOCUMENTS
- 11 THE SHIPMENT ARRIVES AND THE IMPORTER'S CUSTOMS AGENT OVERSEES CUSTOMS CLEARANCE FOR IMPORT THE AGENT NOTIFIES THE IMPORTER TO ARRANGE FOR OVERLAND TRANSPORT OF THE GOODS TO THE IMPORTER OR TO THEIR FINAL DESTINATION
- 12 THE SHIPMENT IS TRANSFERRED TO THE IMPORTER (OR IMPORTER'S RECEIVING AGENT) WHO THOROUGHLY EXAMINES THE GOODS AND THE DOCUMENTS FOR COMPLIANCE WITH SPECIFICATIONS
 - IF THE GOODS COMPLY FULLY WITH THE ORDER SPECIFICATIONS AND THE DOCUMENTATION IS IN ORDER THE SHIPMENT IS RECEIVED WITHOUT EXCEPTION THAT IS ON AN UNQUALIFIED BASIS
 - IF THE GOODS OR THE DOCUMENTATION ARE NOT IN FULL COMPLIANCE THE SHIPMENT MAY BE RECEIVED ON A CONDITIONAL BASIS AND THE IMPORTER BEGINS TO REMEDY OR RESOLVE THE BASIS FOR NONCOMPLIANCE

- IF THE GOODS OR THE DOCUMENTATION ARE NOT IN FULL COMPLIANCE AND THE CONDITION CANNOT BE REMEDIED THE IMPORTER MAY SORT OR SEGREGATE THE GOODS UNFIT FOR SALE OR THE IMPORTER RECEIVES THE GOODS SUBJECT TO SALE OR OTHER DISPOSITION OUTSIDE THE STANDARD OR AGREED UPON CONDITIONS OF SALE IN WORST CASE IMPORTER REJECTS GOODS WHICH MAY BE SUBJECT TO RETURN TO COUNTRY OF ORIGIN ON ACCOUNT OF EXPORTER
- 13 THE IMPORTER ARRANGES FOR OVERLAND FREIGHT BY A TRUCKING COMPANY WHICH RECEIVES TRANSPORTS AND DELIVERS THE GOODS TO THE BUYER OR DISTRIBUTOR FOR FINAL USE OR RESALE
 - 14 THE IMPORTER SENDS OR ARRANGES FOR RELEASE OF FINAL PAYMENT AND FINAL ACCOUNTING TO EXPORTER

There are additional requirements and limitations to which imports may be subjected based on the type of product. These are summarized below:

- **Food products** A report is needed from the Ministry of Health to certify that the product is suitable for human consumption
- **Sheep** A report is required from the Ministry of Health, and a permit from the Ministry of Agriculture
- **Electronic tools** They must meet standard specifications and measures approved by the PNA's Ministry of Trade and Industry
- **Car parts** A permit is required from the Ministry of Transportation
- **Petroleum Products** A permit is required from the Palestinian Gas and Petrol Organization
- **Vegetable Oil** Tankers from Jordan must be emptied at the Damieh Bridge and return empty
- **Cigarettes** Each pack must carry a warning that the Ministry of Health has determined that cigarettes are harmful to health

H DUTY, TAXES, TARIFFS AND FEES

The Palestinian-Israeli trade agreements "harmonized" their tax systems. This means there are no fiscal borders between Israel and the Palestinian Territories. Also known as a "uniform" or "unified" tax system, there is only one exception: the authorization for the Palestinian Value-Added Tax (VAT) to vary up to 2% from the VAT rate imposed by the Israelis (currently, 17 percent). Exports and imports are subject to a substantial tax liability in addition to the commercial freight charges, handling, loading, storage and Israeli international port fees.

An export or import shipment is potentially subject to four important taxes which have a determinative impact on the competitive pricing of goods. These taxes are as follows:

- **Customs Duty** Charging duty on imports is normally governed by trade agreements between and among nations. Palestinian-Israeli trade is *not* subject to duty. U.S.-Israeli trade is likewise duty free. Palestinian trade with EFTA and European Common market countries is also exempt, and the extension of duty-free status for U.S.-Palestinian trade has been proposed by the Clinton Administration and is expected to be approved by Congress. Duty is assessed on trade with all other countries.

The rate of duty varies according to the kind of goods. It ranges up to a maximum of 60 percent of the C.I.F. value for all subject items except textiles and wood, for which the maximum rates are 82 percent and 75 percent, respectively. The only goods exempt from duty in their totality are diamonds, ships and aircraft. There is conditional exemption on products designed for the following sectors: health, education, industry and agriculture.

- **Import Rate Uplift** This is unofficially known as the "import tax", and is described by trade officials as a trade tax. It is imposed on imports essentially to maintain price stability in the local market and is structured generally to protect local industry.

Commonly the Import Rate Uplift is regarded as a component of the Purchase Tax (see below) applied to imports. It is important to differentiate, however, as the Import Rate Uplift is applied prior to the calculation of the Purchase Tax. In other words, for purposes of valuation, the Import Rate Uplift is added to the CIF price.

- **Purchase Tax** This is levied on goods and services produced locally and imported. Notable items subject to the purchase tax are durable consumer goods, light fixtures and cigarettes. In 1993 the Purchase Tax was abolished.

on shoes and clothing. Items exempted are the same as for Customs Duty, namely diamonds, ships and aircraft, as well as products designed for the sectors of health, education, industry and agriculture.

The tax is applied to all subject goods whether they are of local origin or imported. The rate varies greatly by type of goods, ranging from 5-95 percent (except for cigarettes which are taxed up to 240 percent). Over half the Israeli Purchase Tax revenues are raised on automobiles, for which the rate is 95 percent. The rate was reduced in 1993 on goods which are difficult to control, such as watches, jewelry and cosmetics. The value on which the Purchase Tax is assessed is the CIF price *including* Customs Duty and the Import Rate Uplift.

- **VAT** All domestically produced exchanges of goods and services are subject to VAT which is currently 17 percent of sales price. For valuation purposes, the VAT is calculated last. In the case of imports, VAT is levied on the CIF value *including* Customs Duty, Import Rate Uplift and Purchase Tax. It is charged to the consumer and controlled by the "uniform invoice system". The rate is zero for export sales, fruits and vegetables, and tourism services. Exempt status is provided for non-governmental organizations and for organizations chartered to operate on a nonprofit basis.

Regarding imports, the VAT is charged on all import purchases. The VAT a business pays on the portion of its import purchases which are used in the production of exported goods is refundable to the exporter. Palestinian tax authorities acknowledge that, prior to paying refunds to export manufacturers, they are analyzing exporters' records and administering their claims carefully to assure that reports of export production and sales are not inflated.

I PORTS OF ENTRY-EXIT

The ports of entry-exit available to Palestinian trade at this time are listed in the following table entitled "International Ports of Entry-Exit". Port fees are included in the table.

INTERNATIONAL PORTS OF ENTRY-EXIT

BORDER COUNTRY	NAME OF PORT OR BORDER CROSSING	CONVEYANCE	PORT FEE
ISRAEL	BEN GURION	AIR	2.5% OF CIF VALUE
	ASHDOD	SEA	2.5% OF CIF VALUE
	HAIFA	SEA	2.5% OF CIF VALUE
JORDAN	ALLENBY BRIDGE	LAND	NONE
	DAMIEH BRIDGE (CALLED IN ISRAEL ADAM BRIDGE)	LAND	NONE
EGYPT	RAFAH CROSSING	LAND	NONE

To aid exporters in accurately pricing goods for a given market, and to aid importers in breaking down and analyzing price quotations, a sample Pricing Worksheet is in Appendix E. Customs agents are the most reliable source of up-to-date quotations on clearance procedures, as well as inspection, handling, loading, and storage charges or fees.

APPENDIX A

BUSINESS CONTACTS AND ORGANIZATIONS

- 1 CHAMBERS OF COMMERCE AND OTHER BUSINESS ORGANIZATIONS
- 2 CONTACT LIST FOR COMMERCIAL BANKS
- 3 CONTACT LIST FOR ALTERNATIVE SOURCES OF FINANCE
- 4 VAT OFFICES
- 5 INCOME TAX OFFICES
- 6 CUSTOMS AGENTS

**CHAMBERS OF COMMERCE AND
OTHER BUSINESS ORGANIZATIONS**

BETHLEHEM CHAMBER OF COMMERCE AND INDUSTRY

CHAIRMAN ELIAS FREIJ
MANAGER ABDUL MAJID ALKAM
TEL 02/742-742
FAX 02/741-327
P O Box 59

EUROPEAN - PALESTINIAN CHAMBER OF COMMERCE

MANAGER HANNA SINIORA
TEL 894883 / 273293
FAX 894975
GAZA OFFICE
TEL 07 863219

**FEDERATION OF PALESTINIAN CHAMBERS OF COMMERCE, INDUSTRY AND
AGRICULTURE**

ASST SECRETARY ALI MUHANNA
TEL 02/280-727
FAX 02/280 644
P O Box 19151
JERUSALEM

FOOD PROCESSORS ASSOCIATION

CONTACT IBRAHIM ABU LIHYA
CHAMBERS OF COMMERCE BUILDING
RAMALLAH
TEL 02/995-5333

GROUP OF INDUSTRIALISTS - BETHLEHEM

CONTACT SAID ABU GHOSH
P O Box 946
TELEFAX 02/744 490

HEBRON CHAMBER OF COMMERCE

CHAIRMAN JIBRIL NATSHEH
MANAGER MAHER HAIMUNI
TEL 02/992-8218 OR 02/992-7491
FAX 02/992-7490
P O Box 272

JENIN CHAMBER OF COMMERCE, INDUSTRY & AGRICULTURE

MANAGER TALAL JARAR

TEL 06/503 388

FAX 06/501 107

JERICHO CHAMBER OF COMMERCE, INDUSTRY AND AGRICULTURE

CHAIRMAN MANSOUR SALAYMEH

TEL 02/992 3394

FAX 02/992 3313

JERUSALEM CHAMBER OF COMMERCE

CHAIRMAN FAYEK BARAKAT

TEL 02/282 351

P O Box 19151

NABLUS CHAMBER OF COMMERCE

CHAIRMAN MUA TH NABULSI

MANAGER TAJJEDDIN BITTAR

TEL 09/379615 or 09/370335

FAX 09/377 605

P O Box 35

PALESTINIAN CHAMBER OF COMMERCE - GAZA

CHAIRMAN MOHAMMED QUDWA

MANAGER KHALED KHATIB

TEL 07/866 919 or 07821529

FAX 07/821 172 or 07/869 670

QALQILYA CHAMBER OF COMMERCE

CHAIRMAN WALID SABEH

MANAGER MOHAMMED ABDUL RAHMAN

TEL 09/904 473

FAX 09/940 164

RAMALLAH CHAMBER OF COMMERCE

CHAIRMAN ASA D HASSUNEH

MANAGER SALAH AL ODEH

TEL 02/995 6043

FAX 02/995 5052

P O Box 256

STONE CUTTERS' ASSOCIATION

CONTACT MR HALAYKAH

P O Box 831

TEL 02/745-756 745 758 or 741 795

FAX 02/745 759

TULKAREM CHAMBER OF COMMERCE

CHAIRMAN ISSAM MUHSEN

MANAGER NAI M KARMI

TEL 09/671 010 or 09/671 570

FAX 09/675 623

P O Box 51

CONTACT LIST FOR COMMERCIAL BANKS

NAME	CITY	ADDRESS	TEL	FAX
ANZ GRINDLAYS BANK	NABLUS BRANCH	SHWEITRAH STREET P O Box 1 NABLUS	09 384 555/60	09 384 563
ARAB BANK PLC	REGIONAL HEADQUARTERS RAMALLAH	TANNOUS BUILDING P O Box 1476	02 995 4816	02 995 4815
	RAMALLAH BRANCH	MANARA SQUARE P O Box 1487	02 995 4822/4	02 995 4824
	NABLUS BRANCH	As Sa'a SQUARE P O Box 38	09 382 350	09 382 351
	GAZA CITY BRANCH	OMAR MUKHTAR STREET P O Box 91	07 866 288 07 820 705	07 820-704
	GAZA RIMAL BRANCH		07 824 729	
	JERICO BRANCH	COPTIC CHURCH BUILDING P O Box 152	02 992 1310/7	02 992 1318/9
	BETHLEHEM BRANCH	BETHLEHEM P O Box 537	02 647-0080	02 647-0088
ARAB LAND BANK	NABLUS BRANCH	OMAR MUKHTAR STREET	09 383 561	09 383 650
	GAZA BRANCH	PORT SAID STREET	07 822-046 07 822 104	07 821-099
	BETHLEHEM BRANCH	MANGER SQUARE	02 740 861/4	02 740-860
BANK OF JORDAN	RAMALLAH BRANCH	BAHHOUR BUILDING P O Box 1829 RAMALLAH	02 995 8686	02 995 8686
	NABLUS BRANCH	TOUKAN BUILDING	09 381 120	09 381 126
	GAZA BRANCH	OMAR MUKHTAR STREET	07 824 281 07 824 491	07 824 341
	HEBRON BRANCH	CARMEL STREET	02 992 4351	02 992 4350
	JENIN BRANCH	KING FEISAL STREET	06 505 403	06-505 402

BANK OF PALESTINE	GAZA MAIN BRANCH	OMAR MUKHTAR STREET P O Box 15 GAZA	07 823 272/3 07 820 159	07 865 667
	GAZA	RIMAL	07 865 787/8	07 861 755
	JABALIA		07 856 180	07 856 180
	KHAN YOUNIS		07 852 931	07 852 932
	RAFAH		07 836-070	07 836-071
	DEIR AL BALAH		07 832-032/3	07 832-031
	JERICO		02 992 1083	02 992 1085
CAIRO AMMAN BANK	NABLUS HEAD OFFICE		09 381 301/2	
	NABLUS BRANCH	DUWWAR AL HUSSEIN	09 381 204/5	
	NABLUS BRANCH	FEISAL STREET	09 383 250/5	
	RAMALLAH BRANCH	AHLIAH COLLEGE STREET	02-998 5792/3	
	RAMALLAH BRANCH	JERUSALEM STREET	02 998 6006	02 995 1423
	HEBRON BRANCH	AL SHALLALAH STREET	02 992 9803/4	
	HEBRON BRANCH	WADI AL TUFFAH STREET	02 992 5356/7	
	JENIN BRANCH	KING TALAL STREET	06 501 170	
	TULKAREM BRANCH	CHAMBER OF COMMERCE BUILDING	09 672 770	
	BETHLEHEM BRANCH	MANGER SQUARE	02 744 971	
	QALQILIA BRANCH	ABDEL RAHIM SABE STREET	09 941 115/6	
	JERICO BRANCH	MAIN SQUARE	02 992 3628	
	GAZA BRANCH	RIMAL	07 821-088	
	GAZA BRANCH	OMAR MUKHTAR STREET	07 824 950/1	
	RAFAH BRANCH		07 836 250	
	DEIR AL BALAH BRANCH	MAIN STREET	07 831 220	
COMMERCIAL BANK OF PALESTINE	RAMALLAH HEAD OFFICE AND BRANCH	P O Box 1799 RAMALLAH	02 995 4141	02 995 3888 02 995 4145

JORDAN & GULF BANK	NABLUS BRANCH	As SA'A SQUARE	09 382 191	09 381 953
NATIONAL BANK OF JORDAN	NABLUS BRANCH	COMMERCIAL CENTER P O Box 40 NABLUS	09 382 280/2	09 382 283
PALESTINE INVESTMENT BANK	GAZA HEAD OFFICE	OMAR MUKHTAR STREET PO Box 4045 GAZA	07 822 105/6	07 822 107
	JERICHO	HISHAM PALACE STREET	02 992 3623 02 992 3602	

**CONTACT LIST FOR
ALTERNATIVE SOURCES OF FINANCE**

NAME	CITY	ADDRESS	TEL	FAX
AMERICAN NEAR EAST REFUGEE ASSOCIATION (ANERA) /1	JERUSALEM OFFICE CONTACT THOMAS NEU DIRECTOR	ORIENT HOUSE ABU OBEIDA JARRAH STREET P O Box 19982 JERUSALEM	02 277-076	02 894 351
	GAZA OFFICE	AL RIMAL	07 820 329	07 820-328
ARAB DEVELOPMENT AND CREDIT COMPANY (ADCCo)	JERUSALEM OFFICE CONTACT TAWFIQ HABASH DIRECTOR	SAINT GEORGE'S STREET P O Box 20905 JERUSALEM	02 277-965 02 285 766	02 285 766
	GAZA OFFICE	ABU GHALION BUILDING		
ARAB TECHNICAL DEVELOPMENT CORPORATION (ATDC)	JERUSALEM OFFICE	BEIT HANINA ROSARY SISTERS CONVENT STREET P O Box 25176 JERUSALEM	02-995-0450	02 995-0450
	NABLUS OFFICE	ADEL KALBOUNI BUILDING	09 387 701	09 387 701
	GAZA OFFICE	GAZA AL AZHAR STREET	07 860 560	
BEIT AL-MAL AL-FALASTINI	RAMALLAH CONTACT DR HISHAM JABER	P O Box 663 RAMALLAH	050 274 342	02 998 5947
BRITISH PALESTINIAN PARTNERSHIP SCHEME	JERUSALEM CONTACT ALISTAIR TOTTY	BRITISH CONSULATE JERUSALEM	02 828 281	02 828 482
CARE	JERUSALEM OFFICE CONTACT RAED MALKI	P O Box 54258 JERUSALEM	02 287 287	02 287 288

	GAZA OFFICE CONTACT YUSEF ABU EL GIDIAN		07 820-329	07 821 157
ECONOMIC DEVELOPMENT GROUP (EDG)	JERUSALEM OFFICE	BEIT HANINA SHARIFF BUILDING P O Box 51651 JERUSALEM	02 857-066/7	02 833 878
	GAZA OFFICE		07 861 363	07 861 363
	NABLUS OFFICE	SHOKU HAMAWI BUILDING	09 382 964	09 382 964
	HEBRON OFFICE	AL MEDINA MUNNAWARA STREET	050-32 7965	
EUROPEAN COMMUNITY INVESTMENT PARTNERS (ECIP)	JERUSALEM CONTACT BETTINA MUSCHEDIT	EUROPEAN COMMISSION 31 NABLUS ROAD JERUSALEM PO Box 22207 MT OF OLIVES	02 281 617	02 281 620
EUROPEAN INVESTMENT BANK	LUXEMBOURG	100 BLVD K ADENAUER L 2950 LUXEMBOURG	(499) 4379	(499) 437 704
EXPORT IMPORT BANK OF THE U.S.	WASHINGTON D C CONTACT ANNMARIE EMMET		202 565 3933	202 565 3931
FRENCH IMPORT PROGRAM	JERUSALEM CONTACT GILLES DELLA GUARDIA OR VERONIQUE PEAUCELLE	COMMERCIAL SERVICES SECTION FRENCH CONSULTANT JERUSALEM	02 828 707	02 816-266
ISLAMIC PALESTINIAN BANK	BETHLEHEM CONTACT MR AHMAD ABDEEN		050 372 688 02/743 274	
KHAN YOUNIS AGRICULTURAL COOPERATIVE	KHAN YOUNIS CONTACT FARIO HAMDAN		07 865 713	
	JERICO CONTACT ISSAM ADIB		02 992 2722	
OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)	WASHINGTON D C	1100 NEW YORK AVENUE NW WASHINGTON D C 20527	202 336 8799	202 408 5155

JERUSALEM DEVELOPMENT AND INVESTMENT CORPORATION	NABLUS	P O Box 316 NABLUS	09 383 354 09 384 480	09 384 355
	GAZA	P O Box 4049 GAZA	07 824 815 07 824 825 07 824 835	07 824-845
	JERUSALEM	P O Box 54730 JERUSALEM	02 656 3491/4	02-656-3495
STATE CHILDREN RELIEF FOUNDATION	JERUSALEM OFFICE	SHUKKO HAMAWI BUILDING P O Box 20243 JERUSALEM	02 833683	02 835 771
	GAZA OFFICE CONTACT PATRICK CONNORS		07/861 171	07/861-018
	NABLUS OFFICE CONTACT MOHAMMED KHALID		09 383 764/5	09 383-963
UNITED NATIONS RELIEF AND WORKS AGENCY (UNRWA)	JERUSALEM DEVELOPMENT AND PLANNING OFFICE	SHEIKH JARRAH P O Box 19149 JERUSALEM	02 890-442	
	GAZA DEVELOPMENT AND PLANNING OFFICE CONTACT ALEX POLLACK OR NASER JABIR		07 822 660 07 822 740	07 821 765
USAID'S LOW GUARANTEE PROGRAMS	TEL AVIV CONTACT SALAH ABDUL SHAFI	71 HAYARKON STREET TEL AVIV 63642	03 525 5414	03 525 5549
U.S. COMMERCIAL SERVICES	TEL AVIV CONTACT BARRY FRIEDMAN	U S FOREIGN COMMERCIAL SERVICES 1 BEN YEHUDA MIGDAL OR BLDG TEL AVIV 63801	03 510-7211	03 510-7215
	JERUSALEM CONTACT CAROL ABINGTON	U S CONSULATE 18 AGRON STREET JERUSALEM 94190	02 253 288	02 259 270



BETHLEHEM	NAJI KHALIL MOUSA	02/647-0224	02/647-0223	MANGER ST OPPOSITE EDUCATION DEPARTMENT
JENIN	MAHMOUD ODEH	06 436-045	06/346-044	ABU BAKER ST
HEBRON	KHALIL AL-TAWIL	02/992 4964/5	02/992 4963	BIR AL MAHJAR MOSQUE ST OPPOSITE TRAFFIC DEPT
TULKAREM	SHAFIQ ABU ZAHRA	09-676-655	09-676 653	HOSPITAL ST HANNOUN BLDG
JERICHO	AHMAD AL- HILOU	02/992 1263	02/992 3650	GOV'T COMPLEX
QALQILIA	MAHMOUD HEMOUDAH	09/994-2440/1	09-942-442	NABLUS ROAD HAMIDA BLDG
RAMALLAH	MOHAMMAD HOSO	02/998 5882		MINISTRY OF FINANCE AL MEIDAN BLDG
NABLUS	ZUHAIR DWEIKAT	09/383-933/5	09 383 933	IRAQ AL-TAYH ST
GAZA	MOHAMMAD ISSA BAKER ABU ZOR	07/821 422 07-829-243	07 820-209	AL RIMAL OMAR AL- MUKHTAR ST OPPOSITE LEGISLATIVE COUNCIL
MINISTRY OF FINANCE/JERICHO	SAMI NJOUM	02/992 3633 02/992 3635	02-992 3635	GOV'T COMPLEX
MINISTRY OF FINANCE/GAZA	EID AL SHARIF BAYAN ABU SHA'BAN	07/829 245 07/963 994	07 822 853 07 820-696	ABU KHADRA CENTER OPPOSITE AL- SARAYA

INCOME TAX OFFICES

LOCATION	MANAGER	TELEPHONE	FAX	ADDRESS
RAMALLAH	TALEB AL JALAD	02/998 588 1	02/998 5880	MINISTRY OF FINANCE/AL MEIDAN BUILDING
NABLUS	GHASSAN QA DAN	09 383 93 1	09 383 930	IRAQ AL TAYEH STREET
JENIN	BILAL ABU BAKER	06 436-050	06 336-048	ABU BAKER STREET
TULKAREM	MUHANNA SINAN	09 676 65 10	09 676 653	HOSPITAL ST HANNOUN BUILDING
QALQILIA	JIHAD ZIMARI	09 942 444	09 942 443	NABLUS ROAD NEAR THE CIVIL ADMINISTRATION HAMIDA BUILDING 2ND FLOOR
JERICO	SAMI NJOUM	02 992 3650	02 992 3560	GOVERNMENT DEPARTMENT S COMPLEX
HEBRON	HAMZEH ZALOUM	02/992 496 1	02/992 4962	BIR AL MAHJAR MOSQUE ST OPPOSITE THE TRAFFIC DEPARTMENT
BETHLEHEM	JAMAL AWWAD	02/647-022 1	02/647-0220	HEBRON ROAD BEHIND THE CIVIL ADMINISTRATION

CUSTOMS AGENTS

THERE ARE MANY AGENTS WHO PROVIDE A FULL RANGE OF SERVICES FOR IMPORTING AND EXPORTING. THESE AGENTS WILL CLEAR GOODS THROUGH CUSTOMS AS WELL AS SHIP THEM ON TO THE FINAL DESTINATION. IT IS IMPORTANT TO DEVELOP A GOOD WORKING RELATIONSHIP WITH AN AGENT. BE SURE TO CHECK SEVERAL COMPANIES TO GET THE BEST PRICES. ALL OF THE COMPANIES LISTED BELOW ARE MEMBERS OF THE ISRAELI FEDERATION OF FORWARDERS AND CUSTOMS CLEARING AGENTS.

ABIR INTERNATIONAL FORWARDING LTD

42 HAMASGER STREET

TEL AVIV 67214

TEL 03 561-5306 FAX 02-561 2703

ASHDOD 08-534136

HAIFA 04-677579 FAX 04-644068

BEN GURION AIRPORT 03 971-2187 FAX 03 973 1206

ADIV LTD

40 LILIENBLUM STREET

TEL AVIV 61027

TEL 03-517-6264 6 FAX 03 566173

ASHDOD 08-566173 FAX 08 566173

BEN GURION AIRPORT 03-971-2795 FAX 03-971-1170

AGISH INTERNATIONAL FORWARDING LTD

13 NOAH MOZES STREET

TEL AVIV 67442

TEL 03-693-8888 FAX 03-696-9414

ASHDOD 08-653247 FAX 08-563987

HAIFA 04 677691-3 FAX 04-643072

BEN GURION AIRPORT 03 972-1244 FAX 03 971-2321

AIR CONSOLIDATORS LTD

P O B 615 MAMAN BUILDING

BEN GURION AIRPORT 70151

TEL 03 971-2667

RAMAT GAN 03-575-2601 FAX 03-575-2603

125

ALBANY AGENTS AND FORWARDERS

19 HATZFIRA STREET
TEL AVIV 67779
TEL 03-537-6444 FAX 03-378876

ASHDOD 08 565303 FAX 08-31915
BEN GURION AIRPORT 03 972 2162 FAX 03-972 1091

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12 YAD HARUTZIM STREET
TEL AVIV 67778
TEL 03 638 5555 FAX 03 638 5500

ASHDOD 08-653165 FAX 08-563166
HAIFA 04 671-589 FAX 04672087
BEN GURION AIRPORT 03 971 2680 FAX 03-971 2192

ARIEH CUSTOMS BROKERS LTD

42 HAHASHMONAIM STREET
TEL AVIV 64251
TEL 03 528-7241 FAX 03 528 9293

ATID CLEARING, FORWARDING AND INVESTMENT

20 ROTHSCHILD BLVD
TEL AVIV 66881
TEL 03 519-7878 FAX 03 516-4742

ASHDOD 08 535910 FAX 08-564697
HAIFA 04 633570 FAX 04 640776
BEN GURION AIRPORT 03 972 1126 FAX 03 971-2329
EILAT 07-373503 FAX 07-373108

AVI AD LTD CUSTOMS SERVICES AND INTERNATIONAL FORWARDING

3 HASHLOSHA STREET
TEL AVIV
TEL 03 688 8710 FAX 03 688 8721

ASHDOD 08 565697 FAX 08 560835
BEN GURION AIRPORT 03-972 1225 FAX 03 972 1672

BIVAS BROS LTD

68 NACHALAT BENYAMIN STREET
TEL AVIV 66102
TEL 03 517 0945 FAX 03 516 4801

ASHDOD 08 552254 FAX 08 553872
BEN GURION AIRPORT 03-972-1061 FAX 03 972 1061

CARGO AMERFORD

13 YAD HARUTZIM STREET

TEL AVIV 61140

TEL 03-638-5454 FAX 03-688-8461

ASHDOD 08 561281 FAX 03 560021

HAIFA 04-67753 FAX 04 644068

BEN GURION AIRPORT 03 971 1548 FAX 03-971-1653

DAPHNA WEISSMAN & LAVY LTD

18 HAMASGER STREET

TEL AVIV 67776

TEL 03-538-0111 FAX 03-379125

ASHDOD 08-536136 FAX 08 561052

BEN GURION AIRPORT 03-971-2722-3 FAX 03-971-1718

EILAT 07-372785 FAX 07-372012

EILAT ETGAR LTD

15 YAD HARUTZIM STREET

TEL AVIV 67779

TEL 03-638-5111 FAX 03 537 1005

ASHDOD 08-525324 FAX 08-525630

HAIFA 04-699495 FAX 04 643744

BEN GURION AIRPORT 03-971-1495 FAX 03 971-2577

EILAT OVERSEAS

22 TOVAL STREET

RAMAT GAN 52522

TEL 03-751 6081 FAX 752-0968

BEN GURION AIRPORT 03 972-1740 FAX 03 972 1678

EL-AL ISRAEL AIRLINES LTD

CARGO MARKETING DEPT

ARLOZOROV STREET P O B 18215

TEL AVIV

TEL 03 691-7211 FAX 03-696-5492

BEN GURION AIRPORT 03-971 6755 FAX 03-971-1462

FLYING CARGO LTD

11 HACHILAZON STREET

RAMAT GAN 52522

TEL 03-576 3939 FAX 03-575-9126

BEN GURION AIRPORT 03 972-2233 FAX 03-972-1148

ASHDOD 08-567594-5 FAX 08-567596

HAIFA 04-677133 FAX 04-675631

JERUSALEM 02 512693 FAX 02-524725

GLOBESPEED LTD

10 RIVAL STREET

TEL AVIV 67778

TEL 03-374133 FAX 03 378712

BEN GURION AIRPORT 03 972 2801 FAX 03 972803

HAIFA MARINE LTD

43 HAATZMAUT STREET

HAIFA 31000

TEL 04 670991 FAX 04 661261

ASHDOD 08 522221 FAX 08 535536

BEN GURION AIRPORT 03-971 2293 FAX 03 972 1885

EILAT 07-376150 FAX 07 376159

INTERNATIONAL FORWARDING CO OF ISRAEL, LTD

90 HASHMONAIM STREET

TEL AVIV 69011

TEL 03 563 0033 FAX 03 561 0740

ASHDOD 08 08 511777 FAX 08-532082

HAIFA 04 613444 FAX 04 644377

BEN GURION AIRPORT 03 972 2555 FAX 03 971-2032

EILAT 07-372345 FAX 07 37297

IS-LINE IMPORT EXPORT SERVICES LTD

65 SHENKIN STREET

TEL AVIV 61025

TEL 03 685 2546 FAX 03 685-2548

BEN GURION AIRPORT 03 972 1216 FAX 03 972 1774

FRITZ COMPANIES ISRAEL LTD

34 BEIT HILLEL STREET

TEL AVIV 67017

TEL 03-565 5151 FAX 03 561 9493

HAIFA 04 676776 FAX 04 676768

BEN GURION AIRPORT 03 971 1136 FAX 03-972-1183

G&B CARGO LTD

18 BEIT HILLEL STREET

TEL AVIV 67017

TEL 03-561-7733 FAX 03 562 7250

ASHDOD 08-564103 FAX 08 522054

HAIFA 04 640470

BEN GURION AIRPORT 03 972 1842 FAX 03 972 1842

EILAT 07 375651

GLOBAL INTERNATIONAL FREIGHT FORWARDING LTD

69-71 YEDIDIA FRENKEL STREET

TEL AVIV 61370

TEL 03-638 5222 FAX

EXPORT 03-379846

IMPORT 03 384954

ASHDOD 08-565044 FAX 08 565043

HAIFA 04-660728 FAX 04 668929

BEN GURION AIRPORT 03-971-1211 FAX 03 973-1278

EILAT 07 372343 FAX 07 372979

J SASSOWER LTD

37 HAATZMAUT STREET

HAIFA

TEL 04-672176 FAX 04-641778

ASHDOD 08-523339 FAX 08-563176

BEN GURION AIRPORT 03-971-1284 FAX 03 972 1228

EILAT 07-373136 FAX 07-373135

J C S JOINT CONSOLIDATION SERVICES

18 HAMASGER STREET

TEL AVIV 67776

TEL 03 639-1103 FAX 03-639-1104

ASHDOD 08-521525 FAX 08-651824

HAIFA 04-678797 FAX 04-678193

JOINT TRANSPORT INTERNATIONAL SERVICES LTD

18 HAMASGER STREET

TEL AVIV 67776

ASHDOD 08-521525 FAX 08-561824

HAIFA 04-678797 FAX 04-678193

KISLEV CUSTOMS SERVICES LTD

8 BEN AVIGDOR STREET

TEL AVIV 61218

TEL 03-562-0770 FAX 03-562 0780

ASHDOD 08 567105 FAX 08-567105

HAIFA 04-567105 FAX 04 626231

BEN GURION AIRPORT 03 971 1657 FAX 03-971-2147

M M TRADE & MULTIMODAL TRANSPORTATION SERVICES CO. LTD.

2 KAUFMAN STREET

TEL AVIV 68012

TEL 03-516 3130 FAX 03-510 2179

ASHDOD 08-563376 FAX 08-563718

HAIFA 04 623360 FAX 04 677675

BEN GURION AIRPORT 03 972-1664 FAX 03-972 1665

MALILINE LTD

18 HACHAROSHET STREET

TEL AVIV 67778

TEL 03-383355 FAX 03 381408

ASHDOD 08-521096

HAIFA 04 679705 FAX 04 679704

BEN GURION AIRPORT 03-972-1512 FAX 03 972 1523

MAYAN LTD CUSTOMS BROKERS & INTERNATIONAL FORWARDING

2 HABONIM STREET

RAMAT GAN 52522

TEL 03-751 2288 FAX 03 751 3345

ASHDOD 08-523643 FAX 08 560284

HAIFA 04 634259 FAX 04 643259

BEN GURION AIRPORT 03 971 2280 FAX 03-971-2984

EILAT 07 373929

OCEAN COMPANY LTD

3 HABANKIN STREET

HAIFA 31006

TEL 04 523227 FAX 04-512404

BEN GURION AIRPORT 03 971 1259

TEL AVIV 03-516 2206 FAX 03 516 4302

OCEAN CARGO LTD

12 HABONIM STREET

RAMAT GAN 52462

TEL 03-575-8170 FAX 03 751 0638

HAIFA 04 04 625142 FAX 04 662-240

ON EXPRESS LTD

32 HACAF GIMMEL STREET

GIVATAYIM 53532

TEL 03-571 2583 FAX 03 571 0217

ASHDOD 08-564-125 FAX 08-564-125

HAIFA 04-679 671 FAX 04-624 967

ORIAN CUSTOMS SERVICES, LTD.

14 HANATZIV STREET

TEL AVIV

TEL 03-563-8666 FAX 03-561-8589

ASHDOD 08-566529 FAX 08-567380

HAIFA 04 677676 FAX 04-677590

BEN GURION AIRPORT 03-972-2666 FAX 03 971-2846

EILAT 07-335444 FAX 07-336268

PELTRANSPORT LTD

109 ALLENBY STREET

TEL AVIV 65137

TEL 03-560 8225 FAX 03-566-2866

ASHDOD 08-531093 FAX 08-566041

HAIFA 04 674093 FAX 08 676567

BEN GURION AIRPORT 03-971-1034 FAX 03-972-1140

JERUSALEM 02 251610 FAX 02-234849

RUTH CARGO CO

7 HAOMANIM STREET

TEL AVIV 67897

TEL 03-562 4666 FAX 03 562-4095

ASHDOD 08-522096 FAX 08-522096

HAIFA 04-664677 FAX 04-664677

BEN GURION AIRPORT 03-972-1195 FAX 03 972-1195

SHAKED CUSTOMS FORWARDING SERVICES LTD

14 B RAUL WALLENBERG STREET

TEL AVIV 69719

TEL 03 498280 FAX 03-648-1701

BEN GURION AIRPORT 03-971 2696 FAX 03-972-1578

SHMERLING AGENCY LTD

8 HANEDEV STREET

TEL AVIV 66186

TEL 03-638-4555 FAX 03 381915

ASHDOD 08-531097 FAX 08-535840

HAIFA 04-623632 FAX 04-677975

BEN GURION AIRPORT 03-971-2142

T D Y INTERNATIONAL FREIGHT SERVICES LTD

TEL 03 558-2424 FAX 03-558-2225

HAIFA 04-621137 FAX 04 676334

TMS - TRADE & MARITIME SERVICES LTD

16 HA ARBA A STREET

TEL AVIV 64739

TEL 03 563 8989 FAX 03 562 7173

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ASHDOD 08 563160 FAX 08 522437

HAIFA 04 04 677344 FAX 04 538593

BEN GURION AIRPORT 03 972 1380 FAX 03 9972 1455

EILAT 07 372977 FAX 07 372552

NITZANA 07 555876 07 555894

TRANSCLAL LTD

10 YAD HARUTZIM STREET

TEL AVIV 67778

TEL 03 638-2626 FAX 03 537 2757

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ASHDOD 08 560695 FAX 08 524377

HAIFA 04 625599 FAX 04 642487

BEN GURION AIRPORT 03 971 1595 FAX 03 971 1370

ZIOR LTD

50 BEZALEL STREET

RAMAT GAN 52521

TEL 03 751 5222 FAX 03 751 3595

BEN GURION AIRPORT 03 972 1676 7 FAX 03 972 1679

APPENDIX B
BUSINESS ENTITIES AND COMPANY REGISTRATION

- 1 INFORMATION ON THE RULES REGARDING THE NOTARY PUBLIC
IN THE WEST BANK
- 2 REGISTRATION FORM FOR AN ORDINARY COMPANY IN THE WEST
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- 3 REGISTRATION FORM FOR A LIMITED SHAREHOLDING COMPANY
IN THE WEST BANK
- 4 REGISTRATION FORM FOR A PRIVATE SHAREHOLDING COMPANY
IN THE WEST BANK
- 5 PNA APPLICATION FOR A SHAREHOLDING COMPANY
- 6 CIVIL ADMINISTRATION FORM FOR LICENSING A FACTORY IN THE
WEST BANK
- 7 STANDARD FORM FOR THE SALE OF SHARES IN A WEST BANK
COMPANY
- 8 FORM FOR MERGING TWO COMPANIES IN THE WEST BANK
- 9 STANDARD FORM FOR THE DISSOLUTION AND LIQUIDATION OF
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INFORMATION ON THE RULES REGARDING THE
NOTARY PUBLIC IN THE WEST BANK

قانون الكاتب العدل
رقم ١١ لسنة ١٩٥٢

تعريف الكاتب العدل

عرفت المادة الثانية من قانون الكاتب العدل بأنه الكاتب العمومي المكلف
بأجراء المعاملات المخصوص عليها في هذا القانون أو في أي قانون آخر

وقد اشترطت المادة الثالثة من القانون المذكور بأن يقوم بوظيفة الكاتب
العدل موظف معين بمقتضى أنظمة الموظفين ومن ذوي الراتب وقد نصت
المادة المذكورة بأن يتولى مهام وظيفة الكاتب العدل في حالة عدم وجود
موظف معين لهذه العاية رئيس ديوان المحكمة الدائمية، كما نصت ايضاً في
حال غياب الكاتب العدل بأن يتولى مهام عمله رئيس ديوان المحكمة الدائمية
وفي المحال التي لا توجد فيها محكمة بدائية يتولى مهام عمله رئيس كتاب
محكمة الصلح أو أي موظف آخر ينتدبه رئيس المحكمة الدائمية أو قاضي
الصلح بشرط أن يكون من موظفي المحكمة

وفي العقرة الثانية من المادة الثالثة ائعة الذكر ابيطت صلاحية الكاتب
العدل خارج المملكة الاردنية الهاشمية لقناملها حيث شملت كلمة (قنامل)
الوراء القائمين والمفوضين والقائمين بأعمال هذه المفوضيات ومستشاريها

مكان عمل الكاتب العدل

يقوم الكاتب العدل بأعماله في المكان الذي يحصص له في المحكمة التابع
لها حيث أوجبت المادة السابعة عشر من ذات القانون على ذوي العلاقة أو

وكلاءهم ان يحضروا امام الكاتب العدل بالدات ويحضر على الكاتب العدل القيام باي عمل بمقتضى وطيفه هذه خارج مكانه هذا الا بعد ان يحصل على اذن خطي من رئيس المحكمة او قاضي الصلح كما لا يحق له ان ينقل اية سجلات او وثائق او اية اوراق اخرى في عهده بمقتضى وطيفه ما لم يحصل على اذن ايضاً على الوجه المذكور

سجلات الكاتب العدل

إن السجلات والاوراق الرسمية التي يستعملها الكاتب العدل لمقتضيات وطيفه هي من الاوراق الرسمية التي لا يطعن فيها الا بالتزوير لذا فقد اوجب المادة الرابعة من قانون الكاتب العدل بان تكون هذه السجلات مرسمة وبريئة من كل حك او محو او تحسية او فواصل، وان تكتب بخط واضح وكذلك الارقام التي فيها يجب ان تكتب بخط واضح وبالحروف تلاتياً للتلاعب فيها وإن ثبتت المعاملات والاوراق في هذه السجلات ضمن أرقام متسلسلة وحسب تواريخها والسندات التي ينظمها الكاتب العدل فهي من السندات الرسمية التي يحكم بها دون ان يكلف حاملها اثبات مصمونها ويعمل بها ما لم يثبت تزويرها كما تعتبر هذه الاوراق موثقاً بها بلا شبهة في جميع المحاكم الشرعية والنظامية والدوائر الرسمية ويكون هذه السندات المنظمة حجة على الناس كافة بما جاء فيها من أفعال مادية قام بها الكاتب العدل في حدود اختصاصه أو وقع من دوى العلاقة في حضوره ما لم يتبين تزويرها بالطرق المقررة قانوناً

والاوراق والسندات التي ينظمها أصحابها ويصدق عليها الكاتب العدل طبقاً للقانون فهي أيضاً من السندات الرسمية ولكن يحصر العمل بها في التوقيع والتاريخ فقط دون الوثوق بمصمونها

وقد نصت المادة ٢٢ من هذا القانون بعدم حواري اءحال اية بعيرار او اءافار على اية اوراق أو معاملااء قام الكاءب العءل بالاءصءق عليها وءرى اءسءلها رسمياً في سءلااءه الرسمية ءلى لو راءع بءلك ءوي العلاءة

اما واءا ما اصطر الكاءب العءل -واثناء اءطيمه للمعاملااء أو الاوراق- وءل الاءصءق عليها واءسءلها رسمياً- الى اءراء بعص الاءصءءااء في بعص الكلاءا او الشطب فيءب ان يكون الشطب بالءط الأحمر على وءه اءقى معه الكلاءة المشطوبة مقروءة والكلاءا او العباراا الاءا فءب اءافاءااء ءءرء في ءاشية السء ويار الياا باءارة معيبة بالرقم في المكاا الاءا كان فءب أن ءكون فيه واءوقع من الكاءب العءل والاءعاقءون والشهوء ومن ثم يصار الى اءصءق المعاملة او الورقة ءسب القانون وياءري اءسءلها رسمياً والاءافاا الاءا لم واءق نامصاء الاءعاقءين اءعءر كانها لم ءكى وكءلك الاءافاا الاءا لم يصادق عليها من الكاءب العءل لا اءعءر موءوقاً بها ءلى ولو كاءا موقعة من قبل الاءعاقءين

ءااءة الاوراق باللاءة العربية

لءقء أوءصاا المادة ٢٢ من القانون المءكور بان ءءءب ءميع الاوراق الاءا يءظمها الكاءب العءل باللاءة العربية ولا فءور لكاءب العءل ان يماءق على أية اوراق او معاملااء ءءاا بغير الللاءة العربية ما لم ءءرءم الى الللاءة العربية

وبصاا المادة ٢٢ منه أن يقوم الكاءب العءل بءرءمة الاوراق الاءا يرى لروماً لءرءمءها الى الللاءة العربية، واءا ءهل الكاءب العءل الللاءة الاءا ءءاا بها بلك المعاملااء فيءرءمها بمعرفة من يءق ناماءاا واءقاءه لهءه الللاءة

اما اءا كان اءء ءري العلاءة بالمعامله المراد الاءصءق عليها فءهل الللاءة

العربييه او كان الكاتب العدل سجهل لعة انا من اصحاب العلاقة فقد اجات
الماده ١٥ من هذا القانون لكاتب العدل تكليف ترجمان لترجمة البيانات
الواردة في المعامله المراد تصديقها ويسمع اليها بحصور اصحاب العلاقة
والشهود على ان يدرج الكاتب ما ذكر في المعامله الي يظمها او يصدق عليها
وقد اجات ماده المذكوره ان يقدر الكاتب العدل اهور المترحم ويامر اصحاب
العلاقه بدفعها

احتصاصات الكاتب العدل

وفقاً لنص ماده ٦ من القانون المذكور فانه يدخل في احتصاص الكاتب
العدل ما يلي

١- ان يظم بداهه جميع العقود لمصلحة الافراد والاشخاص المعنويين وان
يوثق هذه العقود بحسمه الرسمي لكون لها صفة رسمية

٢- ان يسجل العقود التي يظمها اصحاب العلاقة ويصدق تواريخها وتوقعهم
عليها

٣- ان يصدق على صحة ترجمة المكوك التي تقرر اليه أيأ كانت

٤- ان يقوم باجراء السلبعات الي يطلب اليه الافراد او الاشخاص المعنويين
اجراءها

٥- ان يقوم باجراء ايه معاملات يامر القانون باجرائها

كما يدخل ضمن احتصاص الكاتب العدل ما جاء تفصيلاً في ماده ٢٥ من
نات القانون

القواعد القاسوبية المتبعة عند تنظيم المعاملات

يقوم الكاتب العدل عند الطلب اليه تنظيم و/او تصديق اية معاملة اتناع القواعد التالية

(١) التأكد من شخصية اصحاب العلاقة وذلك بواسطة هوياتهم الشخصية او حوارات سفرهم - اياً كان مصدرها - وتدقيق الاسماء وارقام الوثائق الثبوتية وذكر ذلك صراحة في عبارة التصديق
(تعميم رقم ١٦٣٨/٢ تاريخ ٧٤/١٢/١٨ والتعميم رقم ٣١/٤٩ تاريخ ١٠/٩/٢٧)

(٢) التأكد من الاهلية القاسوبية لاصحاب العلاقة

(٣) التأكد من مكان اقامة اصحاب العلاقة المثبته في هوياتهم فان كان مكان الإقامة ضمن اختصاص الكاتب العدل حرى تصديقها ولا يحوز تصديق معاملات لاشخاص محال اقامتهم الدائمة او الموقته خارجة عن ذلك

(٤) التأكد من الصفات القاسوبية لأصحاب العلاقة لمعرفة فيما اذا كانوا مادييين بالتوقيع على المعاملة ام لا ومن يطلب تنظيم معاملة معينة بالوكالة او الوصاية او الارث او ما الى غير ذلك من الصفات عليه ان يبرر المستندات القاسوبية لذلك ويحب على الكاتب العدل تدقيقها وادراج ذلك في المعاملة ويحفظ صوراً عنها مع المعاملة
(م ١٨ من قانون الكاتب العدل)

(٥) التأكد من حلو المعاملة من اية عبارات تحالف الدستور او الاداب العامة
م ٧ فقرة (١) من ذات القانون)

٦) في حالة الاسماء في محتويات أى سند أو معاملة أو من الظروف المتعلقة به ويسن للكاتب العدل بانه قصد به الاحتيال فعلى الكاتب العدل رفض تبطن هذا السند أو التصديق عليه وعليه ان يبلغ رئيس المحكمة بذلك لاجراء التحقيق ومن ثم بامر تبطن او التصديق على السند ام لا

٧) يقوم الكاتب العدل بتلاوه المعاملة علناً وبلعه مفهومه على اصحاب العلافه للباكد من رضاهم وبعدها يقوم باجراء التبطن او التصديق حسب الاصول

٨) يحفظ الكاتب العدل النسخه الاصليه من المعاملات في سجلاته الرسميه ويعطي نسخة عنها لاصحاب العلافه

٩) اذا كاتب المعامله قد سلمت على اكثر من ورقه فيجب على الكاتب العدل ربط هذه الاوراق بعضها ببعض وحنمها والاشاره الى عددها

المحدورات

يحظر على الكاتب العدل القيام بالمحدورات التالية

١) التصديق أو تبطن انه معاملة تتعلق بنحويل كل أو جزء محرز باحر الى احر قبل الاعلان عن ذلك بالصحف بثمانه ايام على الاقل

٢) عدم تبطن او التصديق على انه معاملة فيها منفعه شخصيه له او لاي من اصوله او فروعه وروحه كما يحظر عليه قبول اياً منهم كمعرف او شاهد او خبير او كفيل في حاله وجود امر كهذا عليه عرض الامر على رئيس المحكمة او قاضي الصلح لاسدات موطف خاص للقيام بمهامه لتبطن او تصديق معاملته او معاملة أى من اعاربه

٢) ان كافة اعمال ومعاملات الكاتب العدل يجب ان تكون سرية ويحذر عليه اناحة اي امر يحتص باحد الناس الى غيره

٤) عدم اعطاء اية صور عن قيد لغير ذوي العلاقة

٥) يحذر على الكاتب العدل مخالفة القواعد العامة التي تتعلق بتنظيم العقود او التصديق عليها

٦) التصديق او تنظيم اية سندات تحتوي على عبارات تحالف الدستور او النظام العام او الاداب

٧) يحذر على الكاتب العدل مخالفة احكام قانون الكاتب العدل

رسوم العدل

١) يستوفي الكاتب العدل الرسوم على المعاملات المراد تنظيمها او التصديق عليها وفقاً لجدول رسوم الكاتب العدل وتعتبر هذه الرسوم ايراداً للحريبة

٢) تعفى من الرسوم اية صورة عن المستندات او العقود او القيود التي يطلبها المدعي العام وتكون لها علاقة بالحقوق العام، والاوراق والمستندات والمعاملات التي تعود للحكومة، وعقود الكفالات المعطاه من موظفي الحكومة أو من ينوب عنهم في قنص الاموال الاميرية وكذلك المعاملات التي تتعلق بدائرة الأوقاف والجمعيات الخيرية المسجلة وفقاً للقوانين واللائحة المرعية

REGISTRATION FORM FOR AN
ORDINARY COMPANY IN THE WEST BANK

نموذج
طلب تسجيل شركة عادية

أ- اسم الشركة

ب- عايات الشركة

ح- تفاصيل عن الشركاء

الاسم الكامل العنوان الحصري الحسبة العمر حصته في الشركة

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د- عنوان مكتب الشركة المسجل

هـ- الأشخاص المفوضين بتولي ادارة الشركة العادية والتوقيع عنها

مدة الشركة توقيع الشركاء

الاسم التوقيع

تصديق الكاتب العدل

نموذج عقد شركة عادية

أولاً اسماء الشركاء

ثانياً اسم الشركة

تسمى الشركة باسم "

ثالثاً مركز الشركة الرئيسي

رابعاً مدة الشركة غير محدودة

خامساً رأسمال الشركة

يتألف رأسمال الشركة من " دينار
بواقع دينار لكل شريك

سادساً عايات الشركة

سابعاً علاقة الشركاء مع بعضهم

١- تورع الأرباح والحسائر بين الشركاء كل حسب حصته في رأس مال
الشركة

٢- يعومس السادة

أ-

ب-

ج-

إدارة الشركة والتوقيع عنها وتمثيلها لدى كافة الدوائر الرسمية والعادية ولدى الشركات والأشخاص

٢- يتم تعيين الموظفين والعمال للارمين للعمل بالشركة باتفاق المفوضين
أعلاه لقاء رواتب مقطوعة

٤- على كل شريك أن يقوم بعمله في الشركة بكل أمانة وإخلاص

٥- يحق للشركاء الاتفاق على تعيين حقوقهم وواجباتهم في الشركة والمتبادلة بينهم والمصنوع عنها في هذا العقد بشرط تسجيل أي تغيير لدى مراقب الشركات حسب القانون

٦- تكون الشركة مسؤولة اتحاه كل شريك لقاء ما يدفعه من ماله الخاص من مصاريف أثناء سير أعمال الشركة أو من أحل محلها

٧- لا يحوز لأكثرية الشركاء أن يحرخوا أي شريك

٨- أي تغيير في أهداف الشركة وعلاياتها يكون بإجماع الشركاء

٩- تحفظ دفاتر وسجلات الشركة في مركز عملها الرئيسي ويحق لكل شريك الاطلاع عليها وأحد صور عنها اذا رغب

ثامناً علاقة الشركاء مع الغير

١- يعتبر الأشخاص المذكورين في الفقرة الثانية من البند السابع وكلاء عن

الشركة فيما يتعلق بأعمالها اثناء مدة توليهم اعمالها

٢- تعتبر كافة الشركاء مسؤولين بالتكافل والتضامن عن جميع الالتزامات التي تترتب على الشركة

٣- اذا صدر حكم بحق أحد الشركاء وبيع حصته يحق لباقي الشركاء شراء هذه الحصة وتوزيعها بينهم

٤- يحور ادخال شركاء حدد باتفاق الشركاء خطياً

٥- لا يحور لأي شريك بيع حصته في الشركة للغير إلا بموافقة باقي الشركاء ويعطي للشركاء الاصلية في حصة الشريك الذي يرغب بالانسحاب من الشركة

تاسعاً فسخ الشركة

١- تفسخ الشركة في حالة افلاس الشركاء

٢- تفسخ الشركة باتفاق الشركاء

٣- تفسخ الشركة بوقوع حادث يجعل استمرارها او استمرار الشركاء غير مشروع

٤- لا تفسخ الشركة بوفاة أحد الشركاء وانما تعود حصته لورثته شريطة أن يمثلهم شخص واحد بموجب وكالة مصدقة لدى كاتب العدل

٥- تفسخ الشركة بقرار من المحكمة المختصة في الحالات التي يحيرها قاضون الشركات

٦- لا يحور لأي شريك الانسحاب من الشركة قبل مضي عام كامل على وجوده كشريك في الشركة على أن يعطي انداراً خطياً قبل مضي شهر واحد من رعيته بالانسحاب

عاشراً اذا لحق الشركة صرراً من حراء تقصير أو احلال عمداً عن عمل قام به
أحد الشركاء يكون الشريك المتسبب بذلك مسؤولاً عن تعويض باقي الشركاء
عن الحسائر التي قد تلحقهم بتيحة هذا العمل

أحد عشر تكون السنة المالية للشركة بتاريخ / / من كل عام حيث يتم
حساب الأرباح والخسائر من قبل مدقق حسابات يعين لهذه العاية من قبل
الشركاء

تحريراً في / /

توقيع الشركاء

REGISTRATION FORM FOR A
LIMITED SHAREHOLDING COMPANY IN THE WEST BANK

نموذج
طلب تسجيل شركة مساهمة محدودة

أ- اسم الشركة

ب- عايات الشركة

ج- تفاصيل عن الشركاء

الاسم الكامل العنوان الحصري الحسنية العمر حصته في الشركة

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د- عنوان مكتب الشركة المسجل

هـ- الاشخاص المفوضين بتولي ادارة الشركة والتوقيع عليها

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تابع نموذج
طلب تسجيل شركة مساهمة محدودة

مدة الشركة

من يوم حتى يوم شروط التحديد

تواقيع الشركاء

الاسم الامضاء

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تصديق المسؤول / الكاتب العدل

يوم شهر سنة

شروط الحد	حسب رسوم	ش رسوم

موانع القسمة

الاسم	الانصاف
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المعروض

صديق المدون / كاتب العدل

٢٢ شهر _____ سنة _____

REGISTRATION FORM FOR A
PRIVATE SHAREHOLDING COMPANY IN THE WEST BANK

نموذج
عقد تأسيس شركة مساهمة خصوصية محدودة

المادة الأولى اسم الشركة

تسمى الشركة باسم
وحيثما وردت كلمة الشركة في هذا العقد والطام الداخلي إما تعني شركة

المادة الثانية عايات واهداف الشركة

١ - ممارسة اعمال التجارة بكافة انواعها واستيراد وتصدير المواد الخام
اللازمة لصاعات الشركة وتسويق منتجاتها وصاعاتها

٢ - الاشتراك مع أي شركة أخرى قائمة في البلاد تتفق عاياتها وأهدافها مع
عايات واهداف هذه الشركة

٣ - اقتراض الاموال اللازمة لتحقيق اهدافها وعماياتها

٤ - انشاء المؤسسات المالية والمصانع بكافة انواعها

المادة الثالثة. دعوة الجمهور للاكتتاب في اسهم الشركة.

يحرر دعوة الجمهور للاكتتاب في أسهم الشركة

المادة الرابعة: الاعضاء المؤسسون ومسؤولياتهم:

١- لا يحوز زيادة عدد أعضاء الشركة عن الحد الأعلى المسموح به بموجب قانون الشركات رقم ١٢ لسنة ١٩٦٤

٢- أعضاء الشركة المؤسسون هم الاشخاص الموقعين على طلب تسجيل الشركة أمام كاتب العدل وهم

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| ٢- | ٥- |
| ٣- | ٦- |
| ٧- | |

٣- تكون مسؤولية المساهمين في الشركة كل بقيمة الأسهم التي اكتتبتها في اسهم الشركة وهي مسؤولية محدودة بذلك

٤- تورع الأرباح والحسائر على المساهمين كل بنسبة اسهمه ويعتبر كل مساهم مالكا في موحونات الشركة بنسبة هذه الأسهم

المادة الخامسة مركز الشركة

تعتبر مدينة هي المركز الرئيسي للشركة ومكاتبها ويحوز للشركة افتتاح فروع أخرى لها في أي مكان اخر تراه مناسباً

المادة السادسة رأسمال الشركة:

١- يتألف رأسمال الشركة من مبلغ دينار اردني مورعة على

سهم قيمة السهم دينار اكتتبها المؤسسون على النحو

التالي

اسم المساهم قيمة الأسهم عدد الأسهم

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٢- يحور زيادة رأسمال الشركة أو انقاصه بقرار تتحده الهيئة العامة للمساهمين مع مراعاة النظام الداخلي وقانون الشركات المعمول به

٣- يترتب على ملكية السهم قبول العقد الأساسي والنظام الداخلي وقرارات الهيئة العامة وكافة الاحراءات التي اتحدت

المادة السابعة مدة الشركة

إن مدة الشركة غير محدودة

المادة الثامنة. نقل الأسهم.

١- يحور نقل أو هبة أو تحويل أسهم الشركة من المساهمين الى أشخاص غير مساهمين

٢- في حالة نقل أو تحويل أو هبة هذه الأسهم يجب مراعاة أحكام وبصوص
الكتاب الداخلي للشركة وأن لا يزيد عدد المساهمين عن العدد المسموح به في
قانون الشركات

المادة التاسعة المفوضين عن الشركة

يتولى ادارة الشركة واعمالها مجلس إدارة مؤلف من أعضاء

تحريراً في / /

تواقيع المساهمين

تصديق المحامي على صحة

تواقيع المساهمين

PNA APPLICATION FOR A SHAREHOLDING COMPANY

السلطة الوطنية الفلسطينية
وزارة الاقتصاد والتجارة والصناعة
مراقب الشركات

طلب تسجيل شركة مساهمة

أ اسم الشركة _____
ب- غادات الشركة _____
ج- تفاصيل عن الشركاء _____

الاسم الكامل	العنوان الحصري	الحصة	العمر	حصته في الشركة
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د عنوان مكتب الشركة المسجل _____
هـ- الأشخاص المفوضين بإدارة الشركة المساهمة والتوقيع عنها _____

مدة الشركة

من يوم	حتى يوم	سروط المديد

بواقيع الشركة

الاسم	الايضاء
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المقررين

تصديق المسؤول / كاتب العدل

يوم _____ شهر _____ سنة _____

كمية الغابات الناجمة طريقة تعريف الغابات وصف تعريف الغابات

71. בב זח טפג מאכל מרא'ה

فاجعل مصادر الصوت المختلفة بالصحة

במרוצק נ'ור ממקורות ורעש!

قياسات الشخصية العامة (أي سلوكيات تنظيم الذات)

بسم الله الرحمن الرحيم

سلطات العمل لكل مصدر محلي - لال اليوم أوالا-هوع

تتمثل الوسائل المخصصة لتأهيل المرأة

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مدیر الحسین

חאד ד
אלטע

التعليم

151

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Name of the factory					Name of the owner					Name of the manager				
Address of the factory					Address of the owner					Address of the manager				
Date of establishment					Date of registration					Date of renewal				
Type of factory					Type of industry					Type of product				
Number of employees					Number of machines					Number of tools				
Value of fixed assets					Value of current assets					Value of liabilities				
Net worth					Capital					Reserves				
Profit					Loss					Dividend				
Interest					Tax					Other				
Total					Total					Total				

1. Name of the factory
2. Name of the owner
3. Name of the manager
4. Address of the factory
5. Address of the owner
6. Address of the manager
7. Date of establishment
8. Date of registration
9. Date of renewal
10. Type of factory
11. Type of industry
12. Type of product
13. Number of employees
14. Number of machines
15. Number of tools
16. Value of fixed assets
17. Value of current assets
18. Value of liabilities
19. Net worth
20. Capital
21. Reserves
22. Profit
23. Loss
24. Dividend
25. Interest
26. Tax
27. Other
28. Total

1. Name of the factory
2. Name of the owner
3. Name of the manager
4. Address of the factory
5. Address of the owner
6. Address of the manager
7. Date of establishment
8. Date of registration
9. Date of renewal
10. Type of factory
11. Type of industry
12. Type of product
13. Number of employees
14. Number of machines
15. Number of tools
16. Value of fixed assets
17. Value of current assets
18. Value of liabilities
19. Net worth
20. Capital
21. Reserves
22. Profit
23. Loss
24. Dividend
25. Interest
26. Tax
27. Other
28. Total

1. Name of the factory
2. Name of the owner
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4. Address of the factory
5. Address of the owner
6. Address of the manager
7. Date of establishment
8. Date of registration
9. Date of renewal
10. Type of factory
11. Type of industry
12. Type of product
13. Number of employees
14. Number of machines
15. Number of tools
16. Value of fixed assets
17. Value of current assets
18. Value of liabilities
19. Net worth
20. Capital
21. Reserves
22. Profit
23. Loss
24. Dividend
25. Interest
26. Tax
27. Other
28. Total

1. Name of the factory
2. Name of the owner
3. Name of the manager
4. Address of the factory
5. Address of the owner
6. Address of the manager
7. Date of establishment
8. Date of registration
9. Date of renewal
10. Type of factory
11. Type of industry
12. Type of product
13. Number of employees
14. Number of machines
15. Number of tools
16. Value of fixed assets
17. Value of current assets
18. Value of liabilities
19. Net worth
20. Capital
21. Reserves
22. Profit
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25. Interest
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27. Other
28. Total

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مواد القول

פרט זה מקורי וזה דומה וזה קטן וזה גדול

وضح مصادر القول لايسا المعجم

16 רמח"ז רד"ח רמ"ז כמפסי וז"ל

الانعام السوي العدر بالشكل (صحيح د ر)

דמחזור דדנו רומעל ז ם

اسماء السرى بالسكك (مصحح)

17 מק רח רחוצרה (כאחור ח) נא וור ו ט

سورن الاساح (سورن مهت) الهند العربيه

ב. מראו 1 ב דל 1

11-11 11-11

18 חרוב רחב ורח וד כהן וודס/רחמל ן ״

عاشق الاول معجزه / معجزه

[illegible]

1 נחונני ייצור (פרטים על המוצר ש אוהט צד או ש צד דמפעל)
מאחיל الاطرح (المنتجات المصنوعة في مصنع دها اوالمصنع في مصنع تاسم)

מס סד	ד מ ו צ ר	כמות ד צור (בסוף)			פונח ד צור
		ממך	חודש	שנה	
الرقم	المنتج	بالكم	بالشهر	بالسنة	بسم الاطرح

2 חומר גלם (חומר ש דמטמח ש כחדל ד ד צור)

المواد الخام (المواد المتخذة في الطرح)

מס סד	חומר גלם	צד כז (בסוף)			פונח ד צר כז
		מסך	חודש	שנה	
الرقم	المادة الخام	بالكم	بالشهر	بالسنة	بسم الاطرح

חומר קוב (חומר ש דנכרש ש לחדל כ צור כ צור רגון שט פז וכו')

المواد السادة (المواد الداخلة في الطرح)

מס סד	חומר קוב	צד כז (בסוף)			פונח ד צר כז
		מסך	חודש	שנה	
الرقم	المادة السادة	بالكم	بالشهر	بالسنة	بسم الاطرح

سهال الرئود في موقع التضم

ס ק טוח ארובות במפעל כן/לא מר גברן _____ מר זוסר וואוורד _____ כיו ח
 תדור ידאח יי הסח יח/לא-ארובת _____ ל סר/קער מו ממחומות דרנ יא לארובו _____ יא ארובת
 ו טוח בן רפל סו _____ ל סר/קער מו ממחומות דרנ יא לארובו _____ יא ארובת
 ה תאר התאד _____ ל סר/קער מו ממחומות דרנ יא לארובו _____ יא ארובת

[illegible]

! 7 מקורות רח כור לכ וב (מספור לפ מספר זה מזא ח)

מס סד	מזבא דשפכ ט (רשח ק רונ ח, וחד נכו)	מקורו ח צ רח דישכ ט	כמו וח כמ'ק ל נח	אומדן חכולו מודמ ט	א ח ון דישכ ט
الرقم	مأوى بلدية - وادي الح	ساحل إنتاج الغابات	الكعبة بالحجر الكعب للهن	عدير محتوا - الطيات	طريقة مبرك الطيات

7 ג רמחמן ו רפולט ס שחכ ס

المشاة البحرية: اللغات السامية

[illegible]

بسم الله الرحمن الرحيم (الحمد لله وحده) على ما مضى من نعمه وبره
وهداه إلى صراط مستقيم

מאור מוזון דעם פול בשפך ס דז מ ס או והווכנס ס
 من الماء العالي للمياه الجوفية، والمياه

אומסדן דרעכט דעם פול כח צו זיין די דאס לעבן אויף דעם

حجم عدد مركبات العناصر في الجدول الدوري، اسم، العدد الذري، العدد الكتلي، العدد الإلكتروني

75 פסולת סוציזד העמלל הכללית

18 כסו וז ומסולח ומפעל נעה העליון, השם

STANDARD FORM FOR THE SALE OF SHARES
IN A WEST BANK COMPANY

سند تفارل عن حصص في شركة

انا الموقع ادناه من حامل هوية
المالك لـ سهم في الشركة المعروفة باسم شركة
() والشريك فيها والمسحله هذه الشركة لدى مكتب
تسجيل الشركات في سجل الشركات العادية بتاريخ / / ١٩٩٩ تحب رقم
اقر وأعترف بانني قد اسلمت من شركائي المسجلين في هذه
الشركة ثمن كامل ما يحصني فيها من أسهم ولم بعدلي بدمتهم أى حق مهما
كان نوعه وبورع حصتي على باقي الشركاء بالتساوي فيما بينهم، وانه لم ينق
لي بدمتهم كاشحاص او كشركة اى حق وكذلك اصبح الشركاء المذكورين هم
اصحاب الشركة رسمياً ولهم الحق بالتصرف بالشركة وبموحوداتها وما لها من
ديون كيفما يشاؤون

وعليه اطلب من حصرة كاتب عدل
الاصول التصديق على هذا السند حسب

تحريراً في / / ١٩٩٩

المقر

FORM FOR MERGING TWO COMPANIES
IN THE WEST BANK

نموذج
عقد اندماج شركتين

العريق الأول صفته مديراً لشركة
العريق الثاني صفته مديراً لشركة

حيث أن العريقين المذكورين معوصين من جميع الشركاء في الشركتين
المذكورتين أعلاه بموجب التفويض الصادر بتاريخ / / ١٩
والتفويض الصادر بتاريخ / / للعريق الثاني والمصدقين حسب الأصول
لدى بتاريخ / /

واستناداً لذلك اتفقا على ما يلي

أولاً يوافق العريقان على دمج الشركة والكائن مركزها الرئيسي في
مدينة والمسجلة لدى مكتب تسجيل الشركات في
تحت رقم بموجب شهادة التسجيل رقم
تاريخ / / بالشركة الواقع مركز الرئيسي
في والمسجلة أيضاً لدى مكتب تسجيل الشركات في
تحت رقم بموجب شهادة التسجيل رقم
تاريخ / / ١٩ تحت اسم اسم
الشركة بعد الدمج

ثانياً يقر كل من العريقين بأنه قد اطلع اطلاعاً تاماً على عقد تأسيس الشركة
التي يمثلها الآخر وعلى دفاترها وميراسيتها ورصيدها المالي ومالها من
حقوق وما عليها من ديون وأنه قد عاين موجوداتها من عقار ومنقول

بمساعدة خبراء ومختصين وانه وحدها مطابقة لكشف الحرد المقدم من
الشركة الاخرى

ثالثاً يقر كل من الفريقين أن كشف الحرد المقدم من الشركة التي يمثلها هو
صحيح وصوره مصدقة طبق الأصل عن حقيقة حالها

رابعاً لقد تم بعويم الشركتين استناداً للبيانات الواردة بكشفي الحرد
المرفعين بمبلغ دينار للشركة المدمجة ومبلغ
دينار للشركة الدامحة

خامساً يتيح لهاداً الاندماج قد عسحت الشركة المدمجة وعلى مديرها اتحاد
الاحراءات القاسوية اللازمة للتأشير بالفسح في السجلات الخاصة بذلك
والاشهار عنه

سادساً تنقى الشركة الدامحة قائمة بجميع شروطها وبموصها دون تعديل
سوى اصمام الشركاء أصحاب الشركة المدمجة إلى أصحاب الشركة
المذكورة وقد اصبح رأسمال الشركة دينار يحص الشريك
دينار ويحص الشريك دينار

وهكذا

ويكون جميع الشركاء متصاميين على ان سورع الأرباح بالنسب التالية

✓ للشريك

✓ للشريك

✓ للشريك

✓ للشريك

٤- ان حقوق الاحاره والرحمن المعلقة بالحرب والمهن المتعلقة بالشركة تعود لفريقي هذه الدعوى

٥- في الاونه الاخيره نشأت خلافات بين المدعي والمدعي عليه وقد تدخل اهل الحير والوسطاء لارالة هذه الخلافات الا انه وللأسف قد ناءت جميع جهودهم بالفشل حسب لم تحل هذه الخلافات بل تعاظمت اكثر بتيحه اتهامات الطرفين كل منهما للآخر الامر الذي اصحبه منه قيام الشركة بينهما مسحيلة وأدى ذلك الى الحاق خسائر فادحة بالشركة واموالها

٦- طالب المدعي المدعى عليه مراراً وبكراراً بفسح هذه الشراكة وتصفيتها الا انه يرفض ذلك

٧- ان عدم رعة اياً من الشريكس كما جاء في عقد التأسيس للشركة في الاستمرار بالشراكة بحل قيام الشركة واستمرارها مسحيلاً

٨- ان ما ورد في هذه اللائحة من وقائع يوجب فسخ الشركة وتصفيتها بجميع حقوقها والتزاماتها حسب القاسون

٩- لهذه المحكمة صلاحية النظر في هذه الدعوى بالنظر لماهيتها وقيمة ومحل الشركة *

الطلب

يلتمس المدعي تبليغ المدعى عليه بسحة عن هذه اللائحة ومرفقاتها* ومن ثم تعيين مصفي لتسوية حسابات الشركة وتصفية موجوداتها وحقوقها

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

سورة الفاتحة

מסמך מס' 1000/1000/1000 (1000/1000/1000) 1000/1000/1000

ישראל יצאנו וישראל יצאנו וישראל יצאנו (ישראל יצאנו וישראל יצאנו וישראל יצאנו) 1871

وَمِنْهُمْ مَن يَتَّبِعُ آلَ فِرْعَوْنَ يَحُكِّمُونَ

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 အောက်ဖော်ပြပါအတိုင်း အောက်ဖော်ပြပါအတိုင်း အောက်ဖော်ပြပါအတိုင်း

APPENDIX C

PROPERTY RIGHTS

- 1 STANDARD FORM FOR LEASING PROPERTY IN THE WEST BANK
- 2 STANDARD RENT CONTRACT
- 3 GENERAL POWER OF ATTORNEY IN THE WEST BANK
- 4 POWER OF ATTORNEY FOR LAND TRANSACTIONS IN THE WEST BANK
- 5 NON REVOCABLE POWER OF ATTORNEY IN THE WEST BANK
- 6 STANDARD CONTRACT FOR THE SALE OF AN APARTMENT
- 7 STANDARD AGREEMENT FOR THE SALE OF A BUILDING IN THE WEST BANK

STANDARD FORM FOR LEASING PROPERTY
IN THE WEST BANK

فانون المالكين والمستأجرين

رقم ٦٢ لسنة ١٩٥٣

- ان احكام هذا القاون لا تسري الا على العقارات الواقعة ضمن مناطق البلديات
والمحالس المحلية
م ٢ من قاون المالكين

اسباب التحلية

لقد نبت المادة الرابعة من قاون المالكين والمستأجرين الاسباب التي
يحكم فيها تحليه المستأجر من العقار الموحر وهي حصراً كالتالي

١- التحلف عن دفع الاحرة

٢- عدم مراعاة شرط من شروط الايحاره

ويشترط في هاتين الحالتين فقط ان يوجه المالك الى المستأجر اخطاراً
بواسطة الكاتب العدل لارالة هاتين المحالفتين او ايأً منها خلال المدة
القانونية *

٣- الاصرار العمد بالماحور او السماح عمدأً بالحاق الصرر به

٤- استعمال الماحور لعاية غير مشروعة

٥- تأخير الماحور او اي جزء منه او احلاءه للغير بدون موافقة المالك
الحطية

٦- السماح باشغال الماحور من قبل شركة أو شريك

* لا يشترط القاون توحيه الاخطار العدلي - لاعراض دعوى التحلية - الا في حالتين هما التحلف
عن دفع اي بدل ايجار مستحق او عدم مراعاة اي شرط من شروط عقد الايجار
(قرار تمييز حقوق رقم ٦٣/١ من ٦١ سنة ١٩٦٣)
* يجب ان يكون الاشغال اشغالا فعلياً اما كون ان المستأجر يفتح الماحور في العطل الرسمية
لقضاء بعض الحاجات فهذا لا يعتبر اشغالا بالمعنى القانوني

٧- ترك العقار لمدة تزيد على ستة أشهر *

٨- اذا كان المالك يرغب باشغال العقار بنفسه مع عدم وجود عقار آخر له في ذات المنطقة وفام بتوفير محلاً آخر مسوراً للمساخر بصلح لاستعماله لداب العاية التي كان ذلك العقار مسجماً من احلها وبمكن الحصول عليه تعريفاً بغير الشروط التي كانت للعقار المذكور ويستترط في ذلك فباعة المحكمة او فاضي الصلح بذلك

٩- اذا رغب المالك في اجراء تعبير أو تعمير اساسي في العقار او البناء الذي يولف العقار قسماً منه على وجه يؤثر في العقار شرط ان يكون هذا التعمير او التعبير ضرورياً وبكون المالك قد حصل على الرخصة اللازمة لذلك على ان يحظر المساخر اخطاراً خطياً باحلاء العقار قبل مدة لا تقل عن ستة أشهر

١٠- اذا اشأ المساخر على أرض له حاصه عقاراً مناسباً لممارسة اعماله التجارية او لسكناه

- اذا نقل موطف من وطنيته الى وطنية اخرى وترك الماحور فبدق للموطف الذي حل محله اشغال محل سكناه بنفس الشروط التي كانت بين الموحر والموطف السلف
م ٥ من قانون المالكين والمساخرس

- لا تثبت الاحاره الا بالنسبة الحطية ولا بحور اثباتها بالنسبة الشفوية
تمبير حقوق رقم ٦٢/٢٤٩ من ٥ سنة ١٩٦٢

لدى محكمة صلح الموفره دعوى حقوق رقم /

المدعي

المدعى عليه

موضوع الدعوى تسليمة ماحور احرته السوية دينار

لائحة وأسباب الدعوى

١ - المدعى عليه مستاحراً لدكان في عفار المدعي الكاس في في مدينة

لاستعماله كمحل بحاري لبيع

٢ - المدعى عليه قام باعلاق هذا المحل بمد مدة تريد على حيث لم

يمارس فيه أية أعمال تجارية وفقاً لعقد الايجار المؤرخ بين المدعي والمدعى

عليه كما انه لم يعم بفتح هذه الدكان طيلة المدة المذكورة اطلاقاً

* ٣ - طالب المدعي المدعى عليه باعادة فتح الدكان او تسليمها اليه الا انه رفض

ذلك دون مبرر واستمر في الاعلاق

٤ - لهذه المحكمة صلاحية البطر والفصل في هذه الدعوى بالنظر لماهيتها

ومكان اقامة المدعى عليه

* ان اعلاق المدعى عليه للشقة وتركها دون اشغال مدد تزيد على الستة اشهر يعد مخالفة لاحكام
المادة ١/١/٤ د من قانوني المالكين والمساخرين توجب التحلية

الطلب

يلتمس المدعي تبليغ المدعى عليه نسخة عن هذه اللائحة ومرفقاتها وبعد
المحاكمة الحارية الحكم بالرام المدعى عليه بتحلية الدكان موضوع هذه الدعوى
وتسليمها خالية من الشواغل والشاغلين للمدعي مع الرام المدعى عليه بالرسوم
والمصاريف واتعاب المحاماة

تحريراً في / /

وكيل المدعي
المحامي

سند مقاوله ايجار واستئجار

المدة والبلد
الطرفين والرقم
المؤجر وتابعه
المستأجر وتابعه
بدل الايجار السنوي
كمية تأمة بدل الايجار
مدة الايجار
تاريخ الايجار
حالة المأجور الخاضع
كمية استعمال المأجور

المحل
عمره الخصوصية
حسب الاملاك

توابع المأجور التي صار عليها تسليمها معه حين الايجار

الشرط الاول ان المستأجر يجوز بحملته المأجور عند ادخاله الى المأجور ورد معادته وساحه الى المؤجر وان لم يجر ذلك من انقضاء يوم المقاوله تعتبر الاخره مضاعفه وتعتبر المستأجر بدونا وبمؤجر يدفع عن كل يوم من الامام الى يوم رد المصاح وسلمته وعلاو على ذلك يصير ما يلحق المؤجر من الضرر والخسار

الشرط الثاني اذا طرأ على المأجور ما يجعله غير قابل للاستعمال فالمستأجر لا يحال بالمعتمدين الاساسه الى يلزم احراوها بصير انعاقها من طرف المؤجر اما المضارعت والانسابات والعميرات المتعلقة بالزينة والتزين والعرض فيصير صرفها واعطائها من طرف المستأجر وليس للمستأجر ان يمنع المؤجر باحرا المعتمدين الاساسه منها امندب دنها وكلها لزم احراوها في ما الايجار وليس للمستأجر ان يعثر او يبدل بقسبات المأجور بدون اذن مجرب من المؤجر

الشرط الثالث ليس للمستأجر ان يترك حق هذا الايجار الى غيره او يؤجر المأجور حقه الى شخص آخر بدون استحصل رضاء المؤجر كتابة على نفس هذا الصك واذا عمل ذلك او احدث احراها او وهبها في المأجور او امتنع عن تأدته الاخر المتابع بموجب المقاوله فالمؤجر يجوز بعضه عهده الايجار وله الحق والصلاحه بطلب حجب الاصرار والخسائر والمضارعت الى بحم عن ذلك والادعاء بها

الشرط الرابع المضارعت والترسبات التي يعملها المستأجر في داخل المأجور او خارجها هي عائد عليه وفي انقضاء مدة المقاوله لا يحق له مطالبة ائى بدل كان او مصروف او بصمات ، والانسابات عبر المقولة يصير بتامها مال المؤجر

الشرط الخامس على المستأجر ان يعلم المؤجر كتابه في انقضاء مدة المقاوله المسبقة اذا كان يرغب بتجديد الايجار ام لا واذا حصل انعاق الطرفين على ذات الشروط ام خلافها فبمقتضى امضاء المقاوله الجديد من طرف المستأجر في شهر واحد على الاول من تاريخ المقاوله المسبقة والا فالمؤجر له الحرية باستعمال المأجور كمنها ما يستأجر الى آخرى

الشرط السادس اذا طلب المؤجر إرارة المأجور الى مستأجرى جدد وحولاهم فيه خلال الشهر الاخير من مدة المقاوله فليس للمستأجر ان يمنع في ذلك

الشرط السابع الاساسه الباقية الى المأجور والموجوده فيه والمرور احسانها ومقاديرها ومنعها اعلا في عاها المخصوصة صي اعادتها وتسليمها عاماً الى المؤجر وفي تمام مدة المقاوله اذا نقص او اكسر شيء منها فبمقتضى اعادتها عماً او تأدته بدله نقداً من طرف المستأجر بموجب قيمته الموضوعة والمبالغ التي تدفع بموجب سند المقاوله هذا يلزم بتأديتها من طرف المستأجر واذا لم يؤدها في وقتها فنقصى دفع قائدها بالقانونه ايضا لحين تأديتها

الشرط الثامن في مدة ايجار المأجور حجب ما ينكسر او يهدم من رصافه ومعابحه واعلاق اوانه وسنابكه وسائر ما يرب بالمال من مصحة الما وبما اشبه ذلك يصير بتجديد من المستأجر وبرك المأجور وسلمته في تمام المقاوله حسب هسه الاصله

الشرط التاسع الكفيل الحر الذي امضاه بدله هو من المستأجر وتنازع الى محاكمة وكفيل المال وصام لاحرا حجب احكام هذه المقاوله وباعاء حجب ما يترتب في دمه المأجور من بدلات وبصمات سواء كان قبل انقضاء المدة او بعدها

شروط خصوصية

على الشروط المبررة أعلاه حرية عقد البحار واستثمار _____ المذكور براء وموافقة الطرفين وحرية نقله ،
الى المؤخر والمساهم بعد العمل بموجب الشروط المبررة أعلاه وعدم مخالفتها لذلك صار تحرير ومقاولة هذا التمسح

کمیل

مستأحر

مؤحر

مقاولة ايجار واستئجار

[illegible]

نموذج عقد ايجار

| القضاء | المحله | الشارع |
|-----------------------|--------|--------|
| حسب الاملاك | | |
| اسم المؤجر | من | |
| اسم المستاجر | من | |
| بدل الاجار السنوي | دينار | |
| بدل الاجار الشهري | دينار | |
| كسفة دفع الاجار | | |
| مدة الأجار | | |
| تاريخ الايجار | | |
| كيفية استعمال الماحور | | |

"الشروط العمومية"

- ١ - لا يحق للمستاجر استعمال المأجور لعايه عبر العادة المؤجر من اجلها
- ٢ - لا يحق للمستاجر القيام باجراء انة تعبيرات او تقسمات بالمأجور او اية اعمال بدون موافقة المؤجر الحطية
- ٣ - لا يحق للمستاجر اشراك احرين في الماحور
- ٤ - ان هذا العقد حاصع لاحكام وقواعد قانون المالكين والمستاحرس

"الشروط الخصوصية"

- ١ ..
- ٢ ..
- ٣

التاريخ / /

شاهد شاهد كفيل مستأجر موحر

وكالة عامة

انا الموقع ادناه من حامل هوية رقم قد وكلت عني واقمت مقام نفسي السيد/ من حامل هوية رقم في تمثيلي ورعانه مصالحني في جميع ما يتعلق باموالي واملاكي المفعوله وعبر المفعوله وعني تمثيلي امام القضاء في جميع القضايا والدعاوي التي بعام مني او صدق امام جميع المحاكم النظامية والدينيه من حقوقه وبحاربه وحراسه واراضي وسونه واحارات وما يسبغ عنها من انواع الدعاوي والطلبات مما صم به او مما صم فيه لآخر درجه من درجات المحاكمه بداية وصلاحاً واسبقاً وعدل علماً وفي الاعراض وبغديم كافة اللوائح والاسدعاءات بموجب قانون اصول المحاكمات المعمول به بهذا الخصوص في جميع ادوار المحاكمه وطلب الاعفاء من الرسوم وبوجيه الاخطارات العادية والعديله والردعليها وفي التحليف وردھا او الكول عنها والاعتراض والاقرار والاراء والصلح وبعس الخبراء والمحكمين وعزلهم او طلب التصديق على احكامهم او فسخها وبغيد الاحكام الصادرة لصالحني لدى دوائر الاحراء المحصنه وطلب الخمر سوعه التحفظي والاحراسي وطلب بيع المحجورات وبحميل الدون وعص بدلائها وطلب الحس او الرجوع عنه وطلب الشهود وفي التلغ والسلع وبغدم كافة الدفعوع وعمل كما ما براه لارماً وفي تمثيلي امام كافة الدوائر الرسمه والعاديه والهيئات والمؤسسات والمصارف والشركات وله مطلق الحرية في تقديم كافة الطلبات المتعلقة بشخصي وباموالي وبمصالحي والتفاوض والاعتراض على اى امر يتعلق بي وله الحق بالتاخير وبوقيع عقود الاحاره وقص الاحرة من المستأجرين وله حق البيع والتنازل والفراغ للمسيرين باليمن الذي يراه مناسباً وقص الثمن وتوقيع العقود اللازمة لدى كافة الدوائر الرسميه المحتصه وفتح الصفقات العقارية وله حق شراء اية اراضي او عفارات وبسحيلها باسمي ومناعة كافة الاحراءات القابويه والادارية

/

اللائمة لذلك، كما له حق توكيل من شاء من المحامين والاشخاص وعزلهم
وتوكيل غيرهم اذا لزم الامر

واحتمالاً فاسي قد وكلت وكيلي المذكور وفوضته بكل الاعمال والافعال
التي يمكنني القيام بها شخصياً وكالة عامة شاملة معوضة لقوله وفعله ورايه

وعليه اطلب من حصرة السيد كاتب عدل التصديق على هذه
الوكالة حسب الأصول في هذا اليوم الموافق / /

تحريراً في / /

الموكل

POWER OF ATTORNEY FOR LAND TRANSACTIONS
IN THE WEST BANK

وكالة خاصة (١)

أنا الموقع إسمي ادناه من وحامل هويه رقم
قد وكلت عمي واقمت مقام نفسي السيد / من
وحامل هويه رقم ليكون وكيلاً عمي في بيع ورحيصة
وتأمين سيارتي الخصوصية رقم موديل نوع ساسي
رقم ماسور رقم برحيصة ، له حق مراجعه كافة
الدوائر الرسمية المختصة كدائره السير والترخيص والفحص والصرائف
والحمارك والشرطه والمحاكم وتقديم وتوقيع كافة الطلبات والاسدعاءات
اللازمة وبسديد الرسوم المطلوبه واتحاد كافة الاجراءات اللازمة من اجل
ترخيص هذه السيارة، كما له حق توكيل من شاء من المحامين وغيرهم في امر
اي يتعلق بهذه السيارة وعليه اطلب من حضره كاتب عدل التصديق
على هذه الوكالة الخاصة حسب الاصول في هذا اليوم الموافق / /

الموكل

وكالة خاصة (٢) *

انا الموقع ادناه من وحامل هوية رقم قد
وكلت عني واقمت مقام نفسي السيد/ من وحامل هوية رقم
في الاشراف على قطعة الارض رقم من الحوص رقم
حي موقع والبالعة مساحتها دوسم من
اراضي مدينة وقد حولته حتى بيعها لمن يريد وبالثمن الذي يراه مناسباً وحولته
حق قبض الثمن من المشتري واعطاء الايصالات والمحاصات وبوقوع عقود البيع
والتنازل والفراع لدى دوائر الاراضي وحارس املاك العائضين وصابط شوون
الاراضي والاثار والمالسة واعطاء الوكالات الدورية لدى كتاب العدل المحتصين
وفصح الصفقات العقارية وله حتى تمثيلي امام كافة الدوائر الرسمية المختصة
ولدى البلديات ولدى كافة المحاكم العاملة في البلاد على اختلاف درجاتها
وانواعها وله حق اقامة القضايا بسووعها الحرائية منها والحقوقية والدفاع فيها
سواء بصفتي مدعي او مدعى علي وبقدسم البينة والرد عليها وفي التبليغ
والتبليغ وفي الاقرار والمصالحة ورفع اليد العاصلة ولهحق تقديم وتوقيع كافة
المعاملات والاحراءات اللازمة لاي امر او حصوص يتعلق بقطعة الارض
المذكورة اعلاه كما حولته حتى توكيل من شاء من المحامس والاشخاص سي كل
او بعض ما وكل به بالحصوص اعلاه

* - اذا كان الموكل بصفته غير الشخصية كان يكون وكيلاً عن اخر فيجب ان يذكر ذلك بوضوح
مع ذكر رقم الوكالة وبوعها وتاريخ اصدارها ومكان الاصدار حتى تكون الصفة واضحة
- واذا كانت الصفة ارثية فيجب ذكر اسم المورث ورقم حجة حصر الارث وتاريخ اصدار وجهة
اصدارها وارقاق صورة عنها مع سند الوكالة
- تنطبق هذه الملاحظات على جميع الوكالات ايا كان نوعها

واحتمالاً فاسي قد وكلت وكيلي المذكور بكافة الامور المتعلقة بقطعة
الأرض الموصوفة اعلاه طالباً من حصرة كاتب عدل التصديق على
هذه الوكالة الخاصة حسب الاصول في هذا اليوم الموافق / / ١٩

الموكل

NON-REVOCABLE POWER OF ATTORNEY IN THE WEST BANK

وكالة دورية غير قابلة للعلل*

انا الموقع ادناه من حامل هوية رقم حيث قد
اتفقت مع السيد/ من حامل هوية رقم
على بيعه قطعة الارض رقم حوص حي موقع
والساعة مساحتها دوسم من أراضي مدينة
، واقتر واعترف ناسي قد قبض من المشري السيد
المذكور كامل المسمى المنفق عليه بيما كتمناً خالصاً لهذه الارض الموصوفة
اعلاه ولم يبق لي بدمته اى مبلغ كان من ثمن هذه الارض ولم يبق لي اى مطلب
او ادعاء من اى نوع، وحيث انني ارفع في انفاذ هذا البيع للمشتري في الموقع
الرسمي المحتص حسب الاصول والقانون وتسجيل هذه الارض باسمه او باسم
اى شخص يريده فقد وكلت عني واقمت مقام نفسي السيد/ من
وحامل هوية رقم ليمثلي وينوب عني في اجراء هذا
البيع في الموقع الرسمي وتسجيل قطعة الارض الساعة اعلاه باسم المشري او
باسم اى شخص اخر يريده المشتري واتحاد جميع الاجراءات اللازمة بهذا
الخصوص بما في ذلك تمثلي والطهور بالساعة عني لدى جميع الدوائر الرسمية
والبلدية وبصوره خاصة دوائر تسجيل الاراضي وحارس املاك العائس ودائرة
صريه الاملاك وبعدم الطلبات للحصول على الانس الارم لاتمام هذه الصفقة
العقارية وفي امضاء عقود البيع والفراع والتمازل النهائي وفي الاقرار بقص
الشمس واسراء دمة المشتري منه وفي طلب الاشهاد على وقوع البيع وفي دفع
الرسوم المستحقة للتسجيل والصرائب المطلوبة عن الارض او اللارمة لاي امر

* - معتبر الوكالة الدورية عقد بيع صحيح ولامرر وواجب التمسيد ولا يملك النابع انطاله الا اذا
كان هناك اسنادا للطلال كالتدليس والعس والاكراه والاحتمال ولكنها است سنداً للملكة وليس
سنداً نافلاً للملكة وبالتالي فهي كغيرها من العقود تخضع لاحكام القواعد العامة

אָב אַלדער פֿאַרשטענדליכקייט וואָס ער האָט געפֿונען אין דער
וועלט.

۱۲۱

٦١ / / لا تقبلوا منه شيئا الا بحسب ما رزقتموه ولا ياتكم منه طغوان

ॐ नमो भगवते वासुदेवाय ॥ नमो भगवते वासुदेवाय ॥ नमो भगवते वासुदेवाय ॥

STANDARD CONTRACT FOR THE
SALE OF AN APARTMENT

نموذج
عقد بيع طابق او شقة سكنية / *

الفريق الاول

الفريق الثاني

اولاً يقر الفريق الاول بانه المالك والمتصرف الوحيد بقطعه الارض رقم
حوص موقع من اراضي مدسه
والبناء القائم عليها بذكر تفاصيل العمارة كاملة من حيث عدد
الطوابق والشقق والمداخل الح

ثانياً يقر الفريق الاول بان هذه الارض والبناء المقام عليها والموصوف اعلاه
حالية من كافة الحقوق العينية اياً كان نوعها كالرهن والاحتصاص والامتياز
وحقوق الانتفاع او الاتعاق وانها ليست موقوفة او محكرة وان هذه الارض
مملوكة له بموجب

ثالثاً يقر الفريق الاول بانه طابق / الشقة / الطابق
من حيث عدد العرف والمساحة والوصف وبسببه من الارض ومساحة البناء
بمبلغ وفده دينار اردني قبضها من يد الفريق الثاني عدلاً وبقدراً
كبدل كامل لهذه الشقة / الطابق

رابعاً يقر الفريق الأول بان هذه الشقة / الطابق مملوكة له مع ملحقاتها وغير
مباعة لأي شخص اخر وحالية من اية حقوق للغير

خامساً يقر الفريق الاول بان بناء هذه الشقة / الطابق قد تم وفقاً للمحططات الهندسية المعتمدة والرخص الصادرة من الجهات الرسمية دون أية مخالفات اياً كان نوعها وهي مطابقة للقوانين والأنظمة واللوائح المرعية

سادساً يقر الفريق الثاني بانه قد عاين الشقة / الطابق معايبة تامة وكاملة وانه وافق على شرائها بعد المعاييه وسخالتها الحاصرة بالمبلغ المتفق عليه والمذكور اعلاه ولا يحق له الرجوع على الفريق الاول بأي شيء بسبب ذلك

سابعاً اعتباراً من تاريخ هذا العقد يعتبر الفريق الثاني المالك لهذه الشقة / الطابق والحصة المشاعية المشتركة بالأرض المقام عليها ويحق له الانتفاع بالمرافق العامة للارمة للانتفاع بها كالمدخل والمصعد والدرج والحدايق ومصارف المحاري والمديدات الكهربائية والمياه والسطح وما الى ذلك من المرافق المشتركة

ثامناً يتعهد الفريق الثاني بدفع وتسديد كافة الرسوم والمصاريف والصرائب المستحقة على حصته للارمة لتسجيلها باسمه لدى المراجع الرسمي المحتص

تحريراً في / /

الفريق الثاني

الفريق الاول

STANDARD AGREEMENT FOR THE
SALE OF A BUILDING IN THE WEST BANK

نموذج
اتفاقية بيع عقار

الفريق الأول
الفريق الثاني

حيث ان الفريق الأول يملك ويتصرف بالعقار اذكر تفاصيله كامله دون
اسهام او جهاله وحيث ان الفريق الثاني يرغب بشراء هذا العقار فقد اتفق
الفريقان على ما يلي

اولاً تعتبر مقدمة هذا الاتفاق حراً لا يتجرء منه

ثانياً يقر الفريق الثاني بانه قد عاين العقار الموصوف اعلاه معاينة تامة
وشاملة نافية لأي جهالة وانه قبل الشراء بحالته الراهنة

ثالثاً وافق الفريق الأول على بيع هذا العقار الى الفريق الثاني بمبلغ وقدره
دسار اردني قبضها منه عدداً وبعداً كندل حالص وكامل لهذا العقار
ويعتبر توقيع الفريق الاول على هذا الاتفاق بمثابة اصال رسمي منه باستلام
هذا المبلغ كاملاً

رابعاً يتعهد الفريق الاول بالتنازل والفراغ عن هذا العقار للفريق الثاني لدى
الدوائر الرسمية كدائرة كتاب العدل وبوقيع الوكالات الدورية والخاصة ولدى
دوائر تسجيل الاراضي وفتح الصعقات العقارية ومتابعة كافة الاحراءات
القانونية اللازمة من اجل الفراغ والتنازل للفريق الثاني حسب القواعد
والانظمة المرعية وتقديم كافة الاوراق اللازمة والتسهيلات لاتمام هذا البيع
حسب الاصول والقانون

خامساً بقر الفريق الأول بان هذا العقار حالياً من الححورات او الرهوبات
والياً من انة حقوق عيبه للغير وانه مستعد لحماية هذا البيع فيما لو ظهرت
اية حقوق للغير

سادساً ان كافة الرسوم والمصاريف اللارمه لاتمام التنازل والفراع لصالح
الفريق الثاني تعود على الفريق الثاني وحده ولا يحق له مطالبة الفريق الاول
بها او باي جزء منها

سابعاً في حالة الاخلال بهذا العقد او باي بند من بنوده يلزم الفريق المحل
بدفع مبلغ دينار اردني كعطل وصرر متفق عليه سلفاً للفريق
الاخر دون التعرض لقيمه او الطعن به

ثامناً لا يحتاج تنعيد هذه العقد الى ارسال اخطار عدلي ويكتفى بارسال كتاب
عادي بالبريد المسجل

تاسعاً تعتبر هذه الاتفاقية بمثابة وعد بالبيع الى ان يتم التنازل والفراع عن
العقار رسمياً باسم الفريق الثاني في الموقع الرسمي

عاشراً في حالة نشوء ايه خلافات حول هذه الاتفاقية او تفسيرها فان محكمه
بداية هي صاحبة الصلاحية والولاية في النظر في اية فصايا قد
تنشا بين الفريقين

تحريراً في / /

الفريق الاول

الفريق الثاني

APPENDIX D

SAMPLE VAT FORMS

- 1 VAT REGISTRATION FORM
- 2 REGULAR VAT REPORT
- 3 VAT ADJUSTMENT FORM
- 4 VAT VEHICLE FORM
- 5 VAT REFUND FORM
- 6 VAT PAYMENT FORM

VAT REGISTRATION FORM

[illegible]

REGULAR VAT REPORT

[illegible]



VAT VEHICLE FORM

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APPENDIX E

EXPORT - IMPORT PROCEDURES

- 1 ABOUT DISTRIBUTOR AGREEMENTS
 - 2 FACTORS TO CONSIDER WHEN CHOOSING A FOREIGN REPRESENTATIVE
 - 3 DEALING WITH CUSTOMS BROKERS
 - 4 INTERNATIONAL PAYMENT INSTRUMENTS COMPARISON CHART
 - 5 PRICING SAMPLE AND WORKSHEETS

 - 6 DOCUMENTS CHECKLIST
 - 7 SHIPPERS EXPORT DECLARATION
 - 8 EXPORT LICENSE APPLICATION
 - 9 IMPORT LICENSE APPLICATION
 - 10 MARKING CHECKLIST
 - 11 APPLICATION FOR IMPORTING GOODS BASED ON THE LICENSE
 - 12 CERTIFICATE OF ORIGIN
 - 13 PRO FORMA INVOICE
 - 14 COMMERCIAL INVOICE
 - 15 PACKING LIST
 - 16 BILL OF LADING
 - 17 INSPECTION CERTIFICATE
 - 18 MOVEMENT CERTIFICATE
 - 19 DELIVERY REGISTRATION
 - 20 LETTER OF CREDIT
-

About Distributor Agreements

A manufacturer or importer/exporter will seldom agree to meet all of a distributor's conditions. Most terms are negotiable, and a firm that is not internationally known might have to grant more demands than others in a more favorable position. The following five tips might help to avoid risk in doing business with distributors.

- 1 Put the agency agreement in writing** The rights and obligations resulting from a written agreement require no extraneous proof and are all that is necessary to record or prove the terms of a contract in most countries.
- 2 Set forth the benefit to both parties in the agreement** Well-balanced agreements should not place an excess of profitless burden on one of the parties. Performance of the agreement might be impossible to enforce against a party who has no apparent benefit from it.
- 3 Give clear definition and meaning to all contract terms** Many English terms that are spelled similarly in a foreign language have entirely different meanings.
- 4 Expressly state the rights and obligations of the parties** The agency contract should contain a description of the rights and duties of each party, the nature and duration of the relationship, and the reasons for which the agreement might be terminated.
- 5 Specify a jurisdictional clause** If local laws will allow, specify in the contract the jurisdiction to handle any legal disputes that might arise. Where possible, use arbitration. Basic arbitration rules and principles are generally the same anywhere. You can obtain model arbitration clauses from the American Arbitration Association, 140 West 51st Street, New York, NY 10020 or the International Chamber of Commerce, 1212 Avenue of the Americas, New York, NY 10036.

Factors to Consider When Choosing a Foreign Representative or Distributor

The following checklist should be tailored by each company to its own needs. Key factors vary significantly with the products and countries involved.

Size of sales force

- How many field sales personnel does the representative or distributor have?
- What are its short and long range expansion plans, if any?
- Would it need to expand to accommodate your account properly? If so, would it be willing to do so?

Sales record

Has its sales growth been consistent? If not, why not? Try to determine sales volume for the past five years.

What is its sales volume per outside salesperson?

What are its sales objectives for next year? How were they determined?

Territorial analysis

What territory does it now cover?

Is it consistent with the coverage you desire? If not, is it able and willing to expand?

Does it have any branch offices in the territory to be covered?

If so, are they located where your sales prospects are greatest?

Does it have any plans to open additional offices?

Product mix

How many product lines does it represent?

Are these product lines compatible with yours?

Would there be any conflict of interest?

- Does it represent any other U.S. firms? If so, which ones?

If necessary, would it be willing to alter its present product mix to accommodate yours?

What would be the minimum sales volume needed to justify its handling your lines? Do its sales projections reflect this minimum figure? From what you know of the territory and the prospective representative or distributor, is its projection realistic?

Facilities and equipment

Does it have adequate warehouse facilities?

- What is its method of stock control?

Does it use computers? Are they compatible with yours?

What communications facilities does it have (fax, modem, telex, etc.)?

If your product requires servicing, is it equipped and qualified to do so? If not, is it willing to acquire the needed equipment and arrange for necessary training? To what extent will you have to share the training cost?

If necessary and customary, is it willing to inventory repair parts and replacement items?

(continued)

Marketing policies

- How is its sales staff compensated?
- Does it have special incentive or motivation programs?
- Does it use product managers to coordinate sales efforts for specific product lines?
- How does it monitor sales performance?
- How does it train its sales staff?
- Would it share expenses for sales personnel to attend factory sponsored seminars?

Customer profile

- What kinds of customers is it currently contacting?
- Are its interests compatible with your product line?
- Who are its key accounts?
- What percentage of its total gross receipts do these key accounts represent?

Principals represented

- How many principals is it currently representing?
- Would you be its primary supplier?
- If not what percentage of its total business would you represent? How does this percentage compare with other suppliers?

Promotional thrust

- Can it help you compile market research information to be used in making forecasts?
- What media does it use if any to promote sales?
- How much of its budget is allocated to advertising? How is it distributed among various principals?
- Will you be expected to contribute funds for promotional purposes? How will the amount be determined?
- If it uses direct mail how many prospects are on its mailing list?
- What type of brochure does it use to describe its company and the products that it represents?
- If necessary can it translate your advertising copy?

Dealing with Customs Brokers

Selecting and Working with a Customs Broker

Customs brokers are licensed by the U.S. Department of Treasury to conduct business with U.S. Customs on behalf of individual and corporate importers. For a fee, the customs broker will expedite Customs entries. Although U.S. Customs brokers will normally be retained by the U.S. importer, you as the exporter may be asked to work with the client's broker or may wish to consult a broker concerning some aspect of the rules for importing your products.

Note: Don't expect a Customs broker to handle everything without input from the principals. The most effective combination is that of an informed trader working in harmony with a knowledgeable and competent Customs broker.

- 1 Find a customs broker who has a large enough business to adequately handle the types of services you require. If the business is a small operation importing non-regulated items with no cargo forwarding, a small outfit will probably be just fine. If the business is a larger scale importer with offices in a number of locations making many frequent entries and/or importing heavily regulated products, a larger more established firm with multiple offices may be indicated.
- 2 What is the reputation of the brokerage? How many years has it been in business? Don't be afraid to ask for references. Actually follow up on them.
- 3 How many licensed brokers are there? In multi-office customs brokerage firms, Customs only requires one licensed broker per district. Therefore, it is possible to have a local office that works off the license of someone far away. For example, the licensed broker for the district of Dallas may work out of the Dallas office, but be the central licensee for offices in northern Texas and areas of Oklahoma and Kansas.
- 4 What is the financial stability of the brokerage? Customs regulations state that "The liability for duties both regular and additional attaching on importation constitutes a personal debt due from the importer to the U.S. and payment to a broker covering duties does not relieve the importer of liability if the duties are not paid by the broker." Ask for a financial statement, financial references and/or their bank and bank officer's name. Follow up with your research until you feel comfortable in your choice of broker.
- 5 Does the broker have the technical expertise and knowledge of your specific product(s)? Does the broker specialize in your product(s)? This becomes more of an issue with highly regulated items such as textiles and other quota products.
- 6 Do you get along well with the broker? Do you feel that you have good enough communication with the broker that you can work together as partners?
- 7 What are the fees for handling your types of Customs entries? Be sure to ask up front how much it will cost to handle your business. Note that charges can add

up for each additional form that your broker completes for you. Always ask for all fees, not simply the basic entry fee.

- 8 Importers should be prepared to submit a financial statement if they plan to ask for credit terms. Note that brokers are just like any other business in handling their accounts. The problem with credit terms is that Customs duties may amount to \$3,000 on an entry; the broker charges \$320 for processing. Brokers are very careful about extending credit terms to their clients. Net 10 days with immediate cut off of credit terms if the client is slow to pay are common terms.
- 9 Importers need to be prepared to provide their brokers with a power of attorney. This is a legal document that empowers your broker to act as an agent on their behalf with Customs. It authorizes them to sign the importer's name to documents. Refer to *Power of Attorney* on page 44.
- 10 Importers will be required to purchase either a surety bond for each importation or a continuous bond to cover a series of ongoing importations.
- 11 Note that importers can make checks for Customs duties payable to their customs broker or to Customs. If there are any unresolved concerns about the broker, make the check payable directly to Customs for forwarding it to the broker along with a separate check to cover their broker's fees.
- 12 A customs broker should be a major player on the term of professional partners. Traders can almost always get insights on such additional questions as how to save on international transportation, Customs duties, warehousing, cartage, etc. Ask to be kept informed of any changes in Customs regulations which affect your products.
- 13 A customs broker does much more than clear goods through Customs. These professionals can also provide door-to-door delivery of freight to one or to many locations across the U.S. They can help advise on issues and opportunities such as Foreign Trade Zones, Temporary Importation under Bond, warehousing, cartage, pre-clearance of cargo, marking and labeling, other agency requirements, etc.
- 14 You can find a customs broker by referring to the Yellow Pages of the telephone directory of a U.S. port city under the listing "Customs Brokers." To locate a customs broker who is a member of a trade association for brokers, refer to *Customs Brokers, Freight Forwarders, and Professional Associations* on page 20, which provides the names, addresses, and telephone numbers of customs brokers' associations throughout the U.S.

International Payment Instruments
Comparison Chart

| Method of Payment | Time of Payment to Seller | Goods Available to Buyer | Risk to Seller | Risk to Buyer |
|---|---|--|---|---|
| Cash in Advance | Prior to Shipment | On Arrival | None | Buyer has loss of funds until merchandise arrives Relies completely on seller to ship goods as ordered |
| Sight Letter of Credit | Within a few days after shipment | Upon settlement of Letter of Credit (L/C) | Very little but depends on L/C conditions | L/C requires proof of shipment but relies on seller to ship goods as described in L/C documents |
| Time Letter of Credit | At maturity of draft or at discounting of draft | Upon acceptance of time draft | Very little but depends on L/C conditions | Payment is due after receiving goods but must be made regardless of product quality |
| Sight Draft for Collection or Documents Against Payment | Upon presentation of collection draft | After payment if all Ocean Bills of Lading are in collection | Possible non payment of draft | Has assurance of shipment but relies on seller to ship goods as described in documents accompanying draft |
| Time Draft for Collection or Documents Against Acceptance | At maturity of draft | Upon acceptance of draft | Possible non payment of draft and buyer has possession of goods | Actual payment is due after receiving goods payment should be made regardless of quality |
| Open Account | Upon payment of invoice | Upon delivery | Relies on buyer to pay invoice when due | No risks |

Source First Tennessee Bank

Pricing Sample

| Terms of Sale C I F | | | |
|---|----------|---------------------------------------|------------|
| EXPORT | | IMPORT | |
| Pricing Elements | Cost | Pricing Elements | Cost |
| Factory cost of 100 units @ \$100/unit | \$10 000 | Landed cost CIF | \$14 950 |
| Expenses | | Duty @ 5 5% | \$ 776 |
| Brokerage costs | \$ 100 | Tax (IRS or other) | \$ 150 |
| Export packing | \$ 150 | Brokerage | |
| Freight to port | \$ 500 | clearance fees | \$ 50 |
| Consular invoice | \$ 50 | Reforwarding | |
| Freight forwarder fee | \$ 150 | from broker | \$ 100 |
| | | Banking charges | \$ 50 |
| | | Letter of credit | |
| | | ¼% | \$ 75 |
| *Export agent commission @ 15% of cost | \$ 1,500 | Total landed cost | \$16 151 |
| *Foreign agent commission @ 5% of cost | \$ 500 | Expenses | |
| | | Warehouse | \$ — |
| | | Repacking | \$ 100 |
| | | Freight out | \$ 100 |
| | | Advertising | \$ 500 |
| | | Salary | \$ 1,410 |
| | | Interest | \$ — |
| | | Postage | \$ 100 |
| Marine insurance (12 950 @ \$1 20 per \$100 value) | \$ 155 | Total landed plus expenses | \$18 361 |
| Transportation (Ocean) | \$ 1,000 | Unit cost | = \$ 183 |
| Landed cost (C I F) | \$14 950 | Suggested selling price @ 100% markup | = \$ 366 |
| | | Profit | = \$18,300 |
| *Only if an export middleman or import agent is used
Calculated at a commission of 10% of buying price | | | |
| Markup (%) = $\frac{\text{Sell cost}}{\text{cost}} \times 100$ | | | |

Pricing Model

EXPORTER: West Bank/Gaza

COSTS

- Cost of Manufacturing
- Export Commission (7-20%)
- Freight Forwarder Fee
- Freight to Port
- Consular Invoice
- Export Packing
- Foreign Distributor/Agent Fee (5-20%)

SELLING PRICE

IMPORTER: U.S.

COSTS

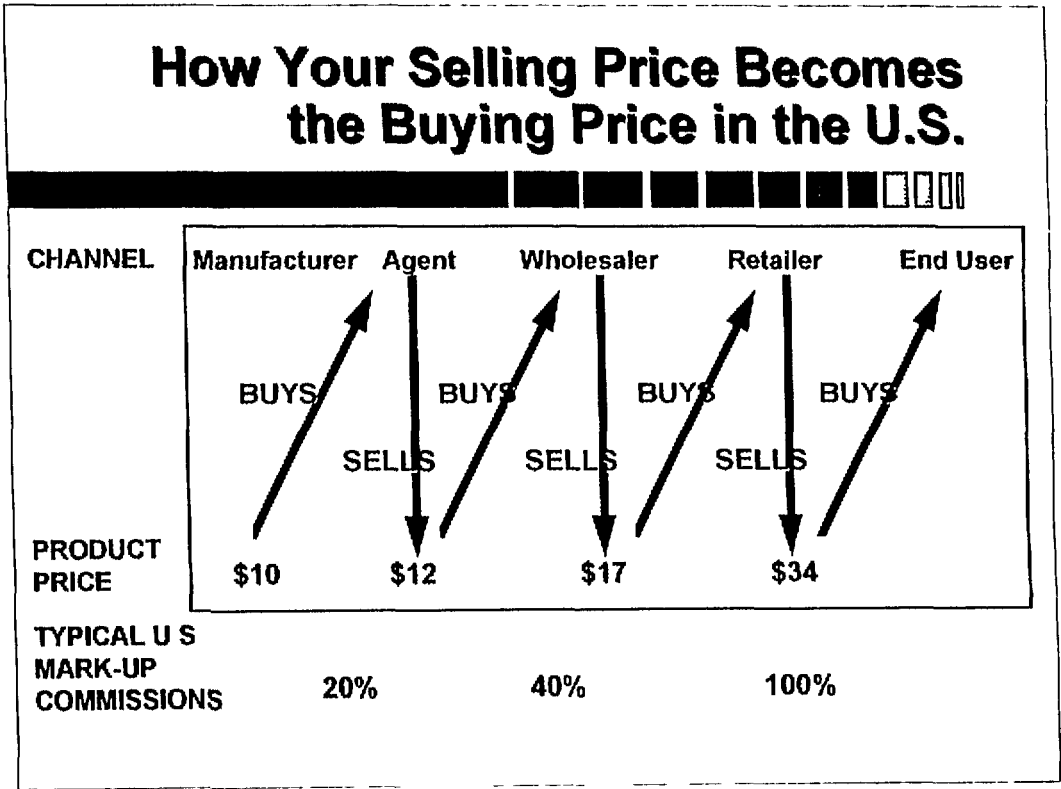
- Buying Price
- (Less Cash Discount)
- Marine Insurance
- Brokerage Costs
- Duty
- Tax
- Freight In (Port to Receipt)
- Banking Cost

LANDED COST

- EXPENSES**
- Distributor Commission
 - Interest
 - Postage
 - Repacking
 - Freight Out
 - Salary

LANDED COST + Profit Margin =
SALES PRICE

Pricing



Pricing Worksheet

Reference Information

Our Ref _____

Customer Reference _____

Customer Information

Name _____

Cable Address _____

Address _____

Telex No _____

Product Information

Product _____

Dimensions _____ x _____ x _____

No of Units _____

Cubic Measure _____ (sq in)

New Weight _____

Total Measure _____

Gross Weight _____

Product Charges

Price (or cost) per unit _____ x units _____ Total _____

Profit (or Markup) _____

Sales Commissions _____

FOB Factory _____

Fees—Packing, Marking, Inland Freight

Freight Forwarder _____

Financing costs _____

Other charges _____

Export Packing _____

Labeling/Marking _____

Inland Freight to _____

FOB Port City (export packed) _____

Port Charges

Unloading (Heavy Lift) _____

Loading (aboard ship) _____

Terminal _____

Consular Document (check if required) _____

Certificate of Origin (check if required) _____

Export License (check if required) _____

FAS Vessel (or airplane) _____

Freight

Based on _____ weight _____ measure

Ocean _____ air _____

Rate _____ Minimum _____ Amount _____

Insurance

Coverage required _____

Basis _____ Rate _____ Amount _____

CIF Port of destination

Pricing Worksheet

Reference Information

Our Ref _____

Customer Reference _____

Customer Information

Name _____

Cable Address _____

Address _____

Telex No _____

Product Information

Product _____

Dimensions _____ x _____ x _____

No of Units _____

Cubic Measure _____ (sq in)

Net Weight _____

Total Measure _____

Gross Weight _____

NOTE IF QUOTE IS FOB FACTORY USE EXPORT COSTING
SHEET TO DETERMINE PRICE AT CIF PORT OF
DESTINATION

Landed Cost (CIF, Port of destination) _____

Customs duty _____

Customs House Broker Fees _____

Banking Charges _____

Taxes Federal _____

State _____

Other _____

Total landed _____

EXPENSES

Inland Freight (from port city) _____

Warehouse costs _____

Repacking _____

Inland Freight (from warehouse) _____

Advertising/promotion _____

Overhead (% of annual) _____

Salary (% of annual) _____

Loans (Principle/Interest) _____

Total landed plus expenses _____

Unit cost _____

Selling price _____

Margin _____%

Profit _____

Document Checklist

Shipping Documents

| Required | Prepared |
|----------|----------|
|----------|----------|



Shippers Export Declaration A form required by the U S Treasury Department for shipments valued at \$1250 or more Completed by the shipper, it shows the value, weight, consignee, destination, etc and is used for statistical purposes (see page A-3 of this guide)



Import License Special U S government document which may be required for the importation of particular products or materials into a country



Export License A home government permit required for the export of certain products to certain destinations



Packing List A list which accompanies the shipment and describes the cargo in detail Includes number and kinds of packages being shipped, totals of gross, legal and net weights of the packages, and marks and numbers on the packages Usually placed in waterproof envelope and attached with the words "Packing List Enclosed " (see page

| Required | Prepared |
|----------|----------|
|----------|----------|



Insurance Certificate Document issued by an insurance company, usually to the shipper under a marine policy, and insuring a particular shipment of merchandise Information on this document, which provides evidence of coverage, should agree exactly with invoices and bills of lading *Often required for collection purposes (see page A-5 of this guide)*



(Ocean) Bill of Lading (B/L)/Air Waybill Document providing terms of contract between the exporter and the transportation company to move freight between stated points at a specified charge Serves as evidence that the shipment has been made The bill of lading for an air carrier is called an Air Waybill *Often required for collection purposes (see page A-6 of this guide)*



Dock Receipt Receipt issued by an ocean carrier or its agent, acknowledging that the shipment has been delivered, or received at the dock or warehouse of the carrier *Sometimes required for collection purposes*



Evidence of Right to Make Entry Documentary proof that the person making entry has the authority to do so Often accomplished by granting of Power of

Required**Prepared**☐☐

Transmittal Letter A list of the particulars of the shipment and a record of the documents being transmitted together with instructions for disposition of documents

☐☐

Delivery Instructions Provides information to the inland carrier about the arrangement made by the forwarder to deliver the goods to the steamship line

☐☐

Special Documents Depending upon the specific product being imported into the U S , various government agencies may have documentation requirements which must be met Such requirements should be identified and fulfilled in advance as Customs will enforce the other agencies' regulations

☐☐

Surety Entries into the U S must be accompanied by evidence that a bond is posted with Customs to cover any potential duties and penalties that may accrue Bonds may be secured through a U S surety company, but may also be posted in the form of U S money Customhouse brokers often allow the use of their bonds to provide the required coverage *(see pages A-15 & 16 of Importing into the United States)*

Collection Documents

| Required | Prepared |
|----------|----------|
|----------|----------|



Commercial Invoice A bill that conforms in all respects to the agreement between exporter and importer. Sometimes a modified version of a pro forma invoice. This document should a) itemize the merchandise by price per unit and any charges paid by the buyer, and b) specify the terms of payment and any marks or numbers on the packages *(see page 10 of this guide)*



Pro Forma Invoice An invoice forwarded by the seller of goods prior to shipment to advise the buyer of the weight and value of the goods *(see page 11 of this guide)*



Certificate of Origin A document in which certification is made to the buyer as to the country of origin of the merchandise *(see page A-7 of this guide)*



Consular Invoice A detailed statement regarding the character of goods shipped, duly certified by the consul of the importing country at the port of shipment. Only required by certain countries *(see page A-8 of this guide)*

| <u>Required</u> | <u>Prepared</u> |
|-----------------|-----------------|
|-----------------|-----------------|



Form A An UNCTAD form furnished by the exporter. Although not strictly required, this form must be produced if requested by Customs in order to receive GSP treatment.



Certificate of Manufacture A statement by a producer, sometimes notarized, which certifies that manufacture has been completed and that the goods are at the disposal of the buyer. (see page A-9 of this guide)



Inspection Certificate A document in which certification is made as to the good condition of the merchandise immediately prior to shipment. The buyer usually designates the inspecting organization. Often required as part of the terms of a letter of credit. (see page A-10 of this guide)



Letter of Credit (L/C) A document issued by a bank at buyer's request in favor of a seller, promising an agreed amount of money on receipt by the bank of certain documents within a specified time. (see page A-11 of this guide)

| <u>Required</u> | <u>Prepared</u> |
|-----------------|-----------------|
|-----------------|-----------------|



Draft A written order for a certain sum of money to be transferred on a certain date from the person who owes the money or agrees to make the payment (the drawee) to the creditor to whom the money is owed (the drawer of the draft) There are several types

- ♦ *date draft* - A draft drawn to mature on a specified number of days after the date it is issued, with or without regard to the date of acceptance
- ♦ *documentary draft* - A draft to which documents are attached
- ♦ *sight draft* - A draft drawn to be payable upon presentation to the drawee or at a fixed or determinable date thereafter
- ♦ *time draft* - A draft drawn so it matures at a certain fixed time after presentation or acceptance



Purchase Order An order form generated by the buyer which is sometimes included with other collection documentation Frequently contains the terms and conditions of the purchase

Sample Shippers Export Declaration

U.S. DEPARTMENT OF COMMERCE — BUREAU OF THE CENSUS — INTERNATIONAL TRADE ADMINISTRATION
FORM 7525 V (3-18-85) SHIPPER'S EXPORT DECLARATION OMB No 0607-0018

| | | | |
|---|--|--|---------------------------------|
| 1a. EXPORTER (Name and address including ZIP code) | | 2. DATE OF EXPORTATION | 3. BILL OF LADING AIRWAYBILL NO |
| ZIP CODE | | | |
| 1b. EXPORTER EIN O | c. PARTIES TO TRANSACTION
<input type="checkbox"/> Related <input type="checkbox"/> Non-related | | |
| 4a. ULTIMATE CONSIGNEE | | | |
| b. INTERMEDIATE CONSIGNEE
NONE | | | |
| 5. FORWARDING AGENT
Porter International Inc.
P O Box 41 A
San Ysidro California 92173 | | | |
| 6. POINT (STATE) OF ORIGIN OR FTZ NO | | 7. COUNTRY OF ULTIMATE DESTINATION
MEXICO | |
| 8. LOADING PIER/TERMINAL | 9. MODE OF TRANSPORT (Specify)
TRUCK | | |
| 10. EXPORTING CARRIER
Truck Lnc. | 11. PORT OF EXPORT
San Diego (S Y.) California | | |
| 12. FOREIGN PORT OF UNLOADING | 13. CONTAINERIZED () / ()
<input type="checkbox"/> Yes <input type="checkbox"/> No | | |

14. SCHEDULE B DESCRIPTION OF COMMODITIES (Use columns 15-18)

| MARKS NOS AND KINDS OF PKGS (15) | DF (16) | SCHEDULE B NUMBER (17) | QUANTITY -- SCHEDULE B UNIT(S) (18) | SHIPPING WEIGHT (Pou d) (19) |
|----------------------------------|---------|------------------------|-------------------------------------|-------------------------------|
| | | | | |

21. VALIDATED LICENSE NO GENERAL LICENSE SYMBOL

22. ECCN (When required)

23. Duty authorized officer or employee

24. I certify that all statements made and all information contained herein are true and correct and that I have read and understand the instructions for preparation of this document set forth in the "Current Year to File Out the Shipper's Export Declaration. I understand that civil and criminal penalties, including forfeiture and sale, may be imposed for making false or misleading statements herein, failing to provide the requested information or for violation of U.S. laws on exportation (15 U.S.C. Sec. 305-22 U.S.C. Sec. 401 18 U.S.C. Sec. 1001 50 U.S.C. App 24 d).

Signature

Title **EXPORT CLERK**

Date

25. AUTHENTICATION (When required)

VALUE (U.S. dollars
omit cents)
(Selling price or cost if
not net)
(20)

THESE COMMODITIES LICENSED BY U.S. FOR ULTIMATE DESTINATION -- MEXICO -- DIVERSION CONTRARY TO U.S. LAW PROHIBITED

Palestinian Authority
Ministry of Economy Commerce and Industry



السلطة الفلسطينية
وزارة الاقتصاد والتجارة والصناعة

| |
|--------------------------------|
| رقم العامل بالتجارة الخارجية |
| FOREIGN TRADES DEALING CARD NO |

طلب رخصة تصدير
Export licence application

| |
|----------------|
| رقم الطلب |
| Application No |

| |
|---------------------------------------|
| نحن الموقع / الموقع أدناه |
| We are / I m the signator (ies) below |
| العنوان بالكامل |
| Full address |

يرجو منحنا رخصة تصدير (وصف دقيق للصناعة)

Would you give us an export licence (accurate description of goods)

على أساس سيف / فوب بقيمة (بالحروف) /

The value in (Letters) (CIF)/(FOB)

Amount in \$ يعادل بالدولار

Amount in F C يعادل (العملة الخارجية)

سروط الدفع اعتماد مسندى / بدون اعتماد مسندى / خلال شهر 1 من تاريخ ارسال الصناعة / قبل ارسال الصناعة

Payment conditions Documentary credit / without D C / throughout months from the date of sending the goods / before sending the goods

| | | | |
|--|--|--------------------------|---|
| المستورد وعنوانه
The importer and the address | الكمية
Quantity | وحدة القياس
Meas unit | قيمة التصدير بالعملة الأجنبية
Exporter's amount in F C |
| البلد المنتج
Producer country | سعر الوحدة بالعملة الأجنبية
Unit price in F C (FOB) | فوب (F O B) | ملاحظات |
| البلد المصدّر
Concerned country | الوزن
Net weight | صافي كجم | نقلات |
| نسبة العمولة للدفع في الخارج
Commission rate | الوزن
Gross weight | قاسم كجم | أساسيات |
| | | | القيمة الاحتمالية |
| | | | Initial value |

الملاحظات

Remarks

أنا hereby certify that all the above mentioned information is correct and release that any incorrect information may result in a legal penalty and we comply with all conditions mentioned in this licence which will be granted to us according to this application

التاريخ
Date

أرقام هويات الموقعين
ID card of signatories

توقيع وحجم الطالب
Signature and seal of applicant

For official use only للإستعمال الرسمي

ترخيص رقم Licence no

أنا سمح للطالب بتصدير الصناعة المسجلة أعلاه أو طبعاً لاسماره عرض الصناعة المرفقة بهذا بقيمة

to permit to the applicant to export the goods above mentioned or according to the proforma invoice attached in the value of

The validity of licence until صلاحية الترخيص حتى

The licence isn't transferable

لا يمكن نقل الرخصة

Palestinian Authority
Ministry of Economy Commerce and Industry



السلطة الفلسطينية
وزارة الاقتصاد والتجارة والصناعة

| |
|---------------------|
| رقم التعريف الجمركي |
| Customs tariff no |

طلب رخصة استيراد
Import licence application

| |
|---------------------------------------|
| نحن الموقع / الموقع أدناه |
| We are / I'm the signator (ies) below |
| العنوان بالكامل |
| Full address |
| رقم بطاقة الاستيراد |
| Import card no |

نرجو منحنا رخصة استيراد للبضائع المسماة أدناه وحسب هذا الطلب وبما يوزع عرض الأسعار المرفقة وهي
Would you give us an import licence for the goods mentioned below and according to this application and to proforma invoice attached

مواصفات البضاعة Goods Description

العرض من الاستيراد Import objective

| | | |
|-----------------------------|-----------------|--------------------------|
| قيمة البضاعة بالعمله الاصله | قوت / سيف | القيمة بالدولار الامريكي |
| Amount in F C | (C I F) (F O B) | Amount in \$ |

| | | | | | |
|------------------|------------|----------|--------------|----------|------|
| وحده القياس | سعر الوحدة | الكمية | نوع الاصله | بالبريد | Post |
| Measurement unit | Unit price | Quantity | Shipment way | Not post | |

بلد المنشأ Country of Origin

بلد السرا Purchasing Country

بلد المصدر Country of Export

جوى

☐

بحرى

☐

برى

☐

طريق عبور البضاعة

Transportation by

اسم المورد Exporters name

اسم المنتج Producer's name

We / I hereby certify that all the information mentioned is correct and undertake to

- 1 Comply with all conditions written in the import licence which has been granted according to this application
- 2 Comply with all instructions put by the ministry

تقر / اقر بان جميع بيانات هذا الطلب صحيحة وسعيد

الالتزام بجميع الشروط الواردة بالترخيص والذي منح على اساس هذا الطلب

٢ نلتزم بسعد جميع التعليمات الاضافه التي يفرضها الوزارة

حم وتوقيع مقدم الطلب

Signature and seal of applicant

ارقام هويات الموقعين

I D Signatories

التاريخ

Date

For official use only للاستعمال الرسمي

Marking Checklist

- ☒ Write your customer's name and address or shipping code on the package
- ☒ Use black, waterproof ink for the stencils
- ☒ Include port of exit and port of entry on your label
- ☒ Place package and case number on container
- ☒ Include dimensions (inches and metric)
- ☒ Mark exports *Made in West Bank/Gaza*
- ☒ Express gross and net weight in pounds and/or kilograms
- ☒ Use cautionary markings such as "this side up" or "handle with care" in both languages
- ☒ Don't use brand names or advertising slogans on packages

السلطة الفلسطينية
وزارة الاقتصاد والتجارة والصناعة
قطاع عمره

عرض طلبية لاستيراد بضائع على اساس ترخيص
Application for importing goods based on the licence

[illegible]

انما نقر بهذا بان جميع هذه البيانات المذكورة هي صحيحة وأنه
معروف لسان أي ادلا بمقاصد غير صحيحة نقر مخالفه حراسة

We hereby certify that all the information is correct and know
that any incorrect information may result in a legal penalty

حکم و توقیع الطالب
Signature and seal of the applicant

Date _____ التاريخ _____

| | |
|-------------------------------|-------|
| Total الاحمالي | Total |
| تقليات Transportation | |
| بأمن Insurance | |
| القيمة الاحتمالية Total value | |

For official use only للإستعمال الرسمي

ان عرض الطلبه هذا يعسر حر لا يحرا من رخص الاسراده الذي مع على اساس طلب روم

This application is considered as integral part of the import licence based on appli no

CERTIFICATE OF ORIGIN

بسم الله الرحمن الرحيم



السلطة الوطنية الفلسطينية

الإشارة
التاريخ

اسم العرفة
عنوان العرفة

شهادة منشأ

المصدر :
عنوانه :
الشركة المستحقة :
عنوانها :
المستورد :
عنوانه :
وسيلة النقل :
مركز التصدير :
مركز الاستيراد :
رقم الاعتماد :
رقم بوليصة الشحن :
تاريخ الشحن

| نوع السلعة | عدد الطرود ونوعها وأرقامها | العلامة التجارية | الوزن | | الكمية | القيمة |
|------------|----------------------------|------------------|-------|--------|--------|--------|
| | | | صافي | إجمالي | | |
| | | | | | | |

تصريح المصدر : أصرح بصحة المعلومات الواردة أعلاه وبأن البضائع هي من منشأ المحلية في هذه الصناعة بمثل بسبه
وأن بسبه المحلات المحلية من كلمة الانتاج المحلية

تشهد عرفة : بأن السلع المبينة مواصفاتها في العاتورة المرفقة رقم
تاريخ : هي من منشأ وأن أسعارها حقيقية ، وأن هذه الصناعة هي من انتاج
وأن بسبه المحلات المحلية في هذه الصناعة تؤلف في المائة على الأقل من سعر الصناعة أرض المصنع

تحريراً في : العرفة التجارية الصناعة الزراعية

مصادقة

تصادق وزارة : على . ١- صحة حتم وتوقيع العرفة المذكورة
٢- صحة البيانات والمعلومات الواردة فيها

الختم والتوقيع

Sample Pro Forma Invoice

PRO FORMA INVOICE

Name of Importer, Address, Telephone Number

Insp _____

Badge # _____

Entry Type

Dutiable ☐

Free ☐

Collection
Amount \$ _____

| Description of Merchandise | HTS Number | Rate of Duty | Value |
|----------------------------|------------|--------------|-------|
| | | | |
| | | | |
| | | | |

Duty _____

IRT _____

MPF _____

TOTAL _____

Shipment Value in U S \$ _____

Country of Origin _____

Importing Carrier _____

Air-Waybill _____

I declare that the information on this invoice is accurate to the best of my knowledge and belief that the invoice quantities are true and correct manifest quantities and that I do not know of any invoice other than this one

Signed by _____ Date _____

Sample Commercial Invoice

XYZ Foreign, Co
2A1 Moon River
Yokohama, Japan

Purchase Order
Invoice Number 00012
Invoice Date

Sold To Our Company, Inc
Hometown, U S A

Ship To Our Company, Inc
Hometown, U S A

Forwarding Agent

Via

Country of Origin Japan

| QUANTITY | PART NO | DESCRIPTION | PRICE EACH | TOTAL PRICE |
|--|---------|-------------|------------|-------------|
| 10 | A2Z | Machines | \$100 00 | \$1,000 00 |
| Inland freight, export packing & forwarding fees | | | | \$ 100 00 |
| Free alongside (F A S) Yokohama | | | | \$1,100 00 |
| Estimated ocean freight | | | | \$ 100 00 |
| Estimated marine insurance | | | | \$ 50 00 |

Packed in 10 crates, 100 cubic feet

Gross weight 1000 lbs

Net weight 900 lbs

Payment terms Confirmed irrevocable letter of credit
confirmed by a U S bank Shipment to be made two (2)
weeks after receipt of firm order

Additional conditions of sale XYZ, Foreign Co to provide

Certificate of Origin

Consular Invoice

Certificate of Manufacture

Insurance Certificate

Inspection Certificate

Sample Packing List

To Your Company
2A1 Moon River
Yokohama, Japan

Date _____

Gentlemen

Under your order No 123 the material listed below was
shipped 1/1/88 via Truck and vessel

To Yokohama

Via _____

| | |
|----------------------|-------|
| Shipment Consists of | Marks |
|----------------------|-------|

| | |
|------------------------|--|
| ___ Cases ___ Packages | Your Company, Ltd
2A1 Moon River
Yokohama, Japan |
| ___ Crates ___ Cartons | |
| ___ Bbls ___ Drums | Made in U S A |
| ___ Reels | # 7235 |

| Package
Number | Weights
(Lbs or Kilos) | Dimensions | Quality | Contents |
|-------------------|---------------------------|------------|---------|----------|
|-------------------|---------------------------|------------|---------|----------|

| | Gross | Legal Net | Ht | Wth | Lth | |
|------|-------|-----------|----|-----|-----|------|
| 7235 | 45 | 40 | 35 | 25 | 15 | Toys |

Sample Bill of Lading

Shipper

B/L No.
M123 11120

Consignee

BILL OF LADING

COPY
NON - NEGOTIABLE

Notify party

ALL TERMS, CONDITIONS AND EXCEPTIONS
AS PER ORIGINAL BILL OF LADING

Pre-shipment by

Place of receipt
KAOHSIUNG CY

"SUBJECT TO ALL THE TERMS AND
CONDITIONS OF THE APPLICABLE
TARIFF"

On or about Vessel No.
AMERICA MARU 55227B

Port of loading
KAOHSIUNG

Port of discharge LOS ANGELES Place of delivery TIJUANA CY Final destination for the Merchant reference

| Container No. | Seal No.
Marks and Numbers | No. of Cnt. | Kind | Package description of goods
nature or place | Gross weight | Net weight |
|--|-------------------------------|-------------|------|---|--------------|------------|
| SHIPPER'S LOAD & COUNT | | | | | | |
| 3 CONTAINERS (677 CTNS) | | | | | | |
| 9 014 KGS 120 32 MS | | | | | | |
| TIJUANA B C MEXICO | | | | | | |
| VIA LOS ANGELES CA | | | | | | |
| MODEL H260 | | | | | | |
| C/NO 1-235 | | | | | | |
| MADE IN TAIWAN | | | | | | |
| REPUBLIC OF CHINA | | | | | | |
| -DO-BUT H667 | | | | | | |
| C/NO 1 | | | | | | |
| MODEL H260 H670 H667 | | | | | | |
| MODEL JOB NO & CODE NO | | | | | | |
| MODEL JOB NO CODE NO | | | | | | |
| MODEL JOB NO & CODE NO | | | | | | |
| C/NO 1-441 | | | | | | |
| MADE IN TAIWAN | | | | | | |
| REPUBLIC OF CHINA | | | | | | |
| FREIGHT COLLECT | | | | | | |
| GSTU-8135538 C/S-480409 HS-41019 (192 C/T) | | | | | | |
| GSTU-8135939 C/S-480410 HS-41014 (192 C/T) | | | | | | |
| MOLU-2021646 C/S-480411 HS-41015 (293 C/T) | | | | | | |

Total number of Containers or other packages or units received by the
THREE CONTAINERS ONLY

Carrier (in words)

Freight and charges Revenue tons Rate per Ft paid C. Recd

| | | | |
|-----------------------|---------|--------------------|----------------|
| BOX RATE | (40 x3) | US \$2 100 00/VAN | US\$6 300 00 |
| | | (INCLUDING D D C) | vvvvvvvvvvvvvv |
| + CY RECEIVING CHARGE | | NT\$900 00/VAN | NT\$2 700 00 |
| | | | vvvvvvvvvvvvvv |

| | | | |
|------------|----|---------------|-------------|
| Shipped on | at | by | DATE |
| | | TIJANA | JUL 30 1987 |
| | | TAIPEI TAIWAN | |

LADEY ON BOARD THE VESSEL
JUL 30 1987

Sample Inspection Certificate

DATE

REFERENCE ACCOUNT NAME & ADDRESS
PURCHASE ORDER NO AND/OR
CONTRACT NO

BANK NAME AND LETTER OF CREDIT NO

MERCHANDISE DESCRIPTION

INSPECTION CERTIFICATE

WE HEREBY CERTIFY THAT THE HEREIN DESCRIBED
MERCHANDISE HAS BEEN INSPECTED AND FOUND TO
BE OF HIGHEST QUALITY AND IN GOOD WORKING
ORDER

PORTER INTERNATIONAL INC

BY _____

MOVEMENT CERTIFICATE

| | | | |
|---|--|--|----------------------------------|
| 1 Exporter (Name full address country) (1)
1- APECO
Agriculture Production & Export P O Box
1164
Gaza - Gaza Strip Via Israel | | EUR 1 No A 216146
See notes on errata before completing this form | |
| 3 Consignee (Name full address country) (10pt) (1)
- Clearance Agent
- John Van der Put Fresh flower Import
Schiphol
- Adr Portegies Horticulture.
- Mediation, Alasmeer
- Vat nr NL 69233536 B01 | | 2 Certificate used in preferential trade between
Gaza Strip National Authority and
_____ and

E E C
(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) | |
| 6 Transport details (10pt) (1)
By air through Bengorion air port Israel | | 7 Remarks
Products of Gaza Strip
The National Authority | |
| 8 Item number; marks and numbers; Number and kind of packages (1) description of goods
1 Parcel 2200 Carnation flowers | | 9 Gross weight (kg) or other measure (litres, cu m etc.)
70 kgs. | 10 Invoices
(10pt) (1) |
| 11 CUSTOMS ENDORSEMENT
Declaration certified
Export document (2)
Form _____ No _____
Customs office _____
Issuing country or territory _____
Palestine Chamber of Commerce
Date <i>M. Qudwa</i>
Chairman _____ | | 12 DECLARATION BY THE EXPORTER
I the undersigned declare that the goods described above meet the conditions required for the issue of this certificate
Place and date <i>Gaza 25/1/95</i> | |

11 goods
p. 100
n. 10
mb. of
a. 100
st. 1
O. 10
app. p. 10

m. 10
ny. w. 10
e. 10
do. 1
p. 10
m. 10
q. 10



استيصال الارسلات (لاسعمال سلطه احمار)
DELIVERY REGISTRATION (FOR CUSTOMER'S AUTHORITY USE)

[illegible]

Sample Letter of Credit

| | |
|---|--|
| Name of Issuing Bank _____ | Documentary Credit No _____ |
| Place and date of issue _____ | Place and date of expiration _____ |
| Applicant _____ | Amount _____ |
| | Credit available with |
| | <input type="checkbox"/> Payment <input type="checkbox"/> Acceptance |
| | <input type="checkbox"/> Negotiation |
| Shipment from _____ | Against presentation of |
| Shipment to _____ | documents detailed herein |
| | <input type="checkbox"/> Drawn on _____ |
| | Bank _____ |
| Invoice in three copies | |
| Full set clean "on board" bills of lading to order of shipper blank endorsed In case movement of goods involves more than one mode a "Combined Transport Document" should be called for | |
| Negotiable Marine and War risk insurance for _____ %
(usually 110%) of invoice value covering all risks | |
| Certificate of Inspection | |
| Certificate of origin issued by Chamber of Commerce in three copies | |
| Packing List | |
| Documents to be presented within _____ days after date of
issuance of the shipping document(s) but within the validity of the
credit | |
| We hereby issue this Documentary Credit in your favor | |
| Issuing Bank | |